Volume LX] *March 1945* [*Number 1*

POLITICAL SCIENCE QUARTERLY

ECONOMIC CONTROLS AFTER THE WAR

GOVERNMENT control of economic activity has grown uninterruptedly since the Great Depression. The war has underlined this trend to such a degree that few fields of business or consumption activity are left untouched by government control in some way. The question arises, quite naturally, Is this but a transitory development, caused by exceptional circumstances, or has extended government control of economic activity come to stay?

Many people will answer this question in terms of their general "ideological" attitudes in regard to "free enterprise", "socialism", etc. Past experience, however, enables us to predict that these "ideological" attitudes will exert a secondary rôle in determining whether, and to what extent, government control of economic activity is going to stay. The question will be decided not by "ideological" preferences but by *practical necessities*. In the decade which preceded the war and during the present war, government control has grown not because of but in spite of the preferences of public opinion. It has done so because, given the structure of our economy and the mode of operation of our political system, it has become necessary to keep the economy from breaking down due to unemployment and subsequently to inflation, and the necessity of supplying the goods essential to the prosecution of the war. Whether it will continue after the war will depend on whether it will prove to be necessary. The question must be answered in terms of the problems which will confront our economy after the war.

These problems may be classified as follows: (1) the maintenance of full employment, (2) the control of monopoly, and

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

(3) the provision of an adequate distribution of incomes. To these there must be added the transitional problem of economic demobilization, which is beyond the scope of this article. Unless our economic and political systems are to break down some day, these problems must be solved. "Ideological" attitudes of the public, as well as the pressure of various interested groups, may affect profoundly the ways and methods by which these problems will be approached. They are important on that account. But unless the nation would be willing to endure a complete economic and political breakdown (as Germany did in the early thirties), or unless vested interests should prove so strong as to block effectively the national will for survival—contingencies which the writer does not anticipate—the problems mentioned will be solved in some way. Whatever method may be employed, it will involve, of necessity, a large amount of government control of economic activity.

The Maintenance of Full Employment

This problem consists in maintaining a stream of total expenditure adequate to purchase the goods and services which the nation can produce with the resources at its command. If the stream of expenditure is too small for that purpose, part of the goods and services produced cannot be sold at the prices the sellers expected to obtain. Producers suffer losses. The losses may materialize either through a fall of selling prices, or, failing that, in an accumulation of unsalable inventory. This is called deflation. The resultant losses lead to restriction of output and to unemployment. If, on the other hand, the stream of expenditure is too large, the goods and services produced are not sufficient to meet the demand, and prices rise. The rise in prices can be checked only by government control, and excessive demand must be restricted by rationng. This is inflation. The problem therefore is to maintain a stream of total expenditure sufficient to avoid deflation, and yet not so great as to cause inflation.

Traditional economists saw the need for government control of economic activity merely to avoid inflation. Their doctrine of monetary management and control of private banking was based

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on the fear that irresponsible use by government or by private banks of the power to create money may lead to an excessive stream of total expenditure. The danger of deflation was supposed to take care of itself, without much need for government control. This, it was held, might occur in two ways.

Changes in interest rates were supposed to nip in the bud deflationary tendencies. The entrepreneurial losses involved in an incipient deflation diminish the producers' demand for loans and lead to a fall in interest rates. But lower interest rates make profitable some business ventures which were not so before, particularly in the field of production of durable goods. This leads to a revival of output and employment. Furthermore, lower interest rates discourage private saving and, consequently, increase the expenditure for consumers' goods. In this way a fall of interest rates would check deflation. But, if the fall of interest rates should be insufficient to achieve this purpose, another factor would control deflation. This is the fall in costs of production, particularly in wage rates. The reduced output would cause wages and other cost items, such as prices of raw materials, to fall. Competition would then lead to a reduction of commodity prices. Finally, the stream of total expenditure, which was too small to buy at the old prices all the goods and services which could be produced, would prove sufficient to buy them at the new prices. In this way deflation and unemployment, it was held, would take care of themselves without government control. If prolonged unemployment occurred in actual experience, responsibility was placed upon rigidity of cost prices, due particularly to the unwillingness of trade unions to accept wage cuts.

Experience has shown the fallacy of this reasoning. It is not difficult to discover its flaws. The rate-of-interest argument overemphasizes the influence of a fall in interest rates upon the decisions of producers. When entrepreneurial losses caused by deflation have created among business men a state of uncertainty and fear of further losses, no conceivable reduction of interest rates will suffice to increase output. This is a common experience of producers as well as of bankers. The fall in costs and of commodity prices may fail to improve the situation. It may

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

even make it worse; for if a fall in prices generates an expectation that prices will fall even more in the future, producers restrict instead of expand output. They do this because producing when costs are higher and selling when prices will be lower spells losses. Unemployment increases, incomes are reduced and the stream of total expenditure diminishes further. But, independently of such adverse expectations, a fall in costs and commodity prices may lead to an increase in output and employment only when the stream of total expenditure does not diminish *pari passu*. If it does, the reduced stream of expenditure continues to be too small to buy, even at the lower prices, the goods and services which can be produced. In this case a fall in prices fails to correct the deflationary situation. And if the stream of total expenditure diminishes more than proportionally to the fall in prices, the amount of goods and services it can buy decreases too. Deflation thus becomes aggravated.

In arguing that deflation takes care of itself, provided cost prices are not rigid, traditional economic theory assumed that the diminution of the stream of total expenditure would not keep pace with the fall of prices. It held that the fall in prices increases the real purchasing power of the stock of money held by consumers and producers. Consumers and producers are supposed to find that they have more money than they wish to keep and spend part of it to buy goods and services. This keeps directly the stream of total expenditure from falling as prices fall. Instead of buying goods and services, they may want to loan out their excess money, which leads to a further fall of interest rates. The lower interest rates stimulate production, as stated above, and indirectly keep the stream of total expenditure from falling so as to nullify the effect of a fall in prices. But we know that in our present economy money is created by the banks in the form of bank deposits in response to producers' demands for loans. If producers reduce their output in a deflationary situation, they pay back their bank loans without taking out an equal volume of new ones. Or they go bankrupt and the banks have to write off part of their assets. In either case the amount of bank deposits, which form the major part of the supply of money, is reduced. The reduction in the amount of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

money is likely to keep pace with the diminution of the demand for loans, and the controls, upon which traditional economic theory relied to keep the stream of total expenditure from falling proportionally with prices, fail to operate. Nor do interest rates fall either. Indeed, conditions may grow from bad to worse. A wave of bankruptcies caused by the deflation may produce a financial panic. Banks may recall loans which are demanded by producers and thus force them to restrict output. The quantity of money then diminishes more than in proportion to the fall in prices, and output and employment decrease yet further.

The fallacy of traditional theory is that, while it is aware of the banks' power to create money and makes the proper deduction with regard to the necessity of government control to avoid inflation, it does not see clearly the tendency of the banks to destroy money and the resulting necessity of government control to avoid deflation. As we have seen, deflation does *not* take care of itself, and government control is necessary to avoid it, or to correct it if it has already occurred. This fact establishes the chief sphere of government control of economic activity which will be necessary in the post-war world. The government will have to be responsible for keeping the nation's stream of total spending on a level sufficient (and not greater than required) to buy at current prices all the goods and services which can be produced. If private expenditure exceeds that level, the government must syphon off the "inflationary gap". If private expenditure falls short of that level, the government must close up the "deflationary gap".[1] In the first case the government must collect in taxes or by non-inflationary borrowing more than it spends; in the second case it must spend more than it collects ("deficit spending").[2]

The task of closing the "inflationary gap" is much easier than that of closing the "deflationary gap", because in our present

[1] The "inflationary gap" is the excess, the "deflationary gap" is the deficiency, of the actual stream of expenditure as compared with the stream just sufficient to buy at current prices the goods and services which can be produced with the nation's resources.

[2] This is Dr. Abba P. Lerner's principle of "functional finance". *Cf. Social Research*, February 1943.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic system it is easier to discourage expenditure than to encourage it (assuming no change in the price level). The second task therefore requires more radical measures. These are of two kinds: (1) measures which encourage private spending, and (2) measures designed to close the "gap" by deficit spending of the government. Among the first group are, in addition to the standard measures of monetary policy, such as low interest rates and open market operations, those measures which prevent the formation of entrepreneurial expectations resulting in a cumulative reduction of output and employment. As we have seen, a fall in prices (costs as well as commodity prices) has such results if producers believe that prices will fall even lower in the future. This requires that the government guarantee a stable price level either in general or of a particular group of goods or services (e. g., wage rates).[3] Such a guarantee must be carried out by governmental market operations, by administrative controls, or by general deficit spending. But if producers have faith in the effectiveness of the guarantee, there will be no expectation of a cumulative fall or rise in prices (or in prices of the particular group of goods and services guaranteed), and the guarantee may be carried out with a minimum of actual government intervention. An alternative to guaranteeing the stability of the general or of a particular price level is for the government to guarantee to producers the salability of a given volume of output. The government may set up "national goals" in the production of different goods, such as are now set up in war production, and guarantee the sale of these quotas. If these quotas are not bought out of private expenditure, the government would buy the remainder and distribute it to the needy (as in the food-stamp plan). Again, if producers are assured that these quotas will be disposed of, they will produce them and by doing so will create employment and incomes to buy them. Once the system is established, actual government intervention may prove to be of minor significance.

If the measures designed to encourage private spending are not sufficient to maintain an adequate stream of private expenditure, and partly to implement these measures, the government

[3] *Cf.* the author's *Price Flexibility and Employment*, Cowles Commission Monograph No. 8 (Bloomington, Ind., The Principia Press, 1945).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

must close the "deflationary gap" by deficit spending. Such deficit spending can be directed toward the maintenance of adequate consumption standards (housing, feeding of school children, health services, etc.) or toward the maintenance and improvement of the nation's productive resources (public investment). By means of deficit spending the government can always maintain the stream of total expenditure on a level sufficient to employ all available resources. If the measures which encourage private spending meet with success, less governmental deficit spending will be required. A particular form of deficit spending is that in which the government instead of increasing its expenditure reduces its receipts (keeping expenditure constant) by reduction of taxes. This form of deficit spending may prove, under circumstances, very effective in encouraging private expenditures of entrepreneurs.

Similarly, measures are necessary to close the "inflationary gap", when it arises. The particular measures in each case have different merits, which cannot be discussed here. But, clearly, some of these controlling measures, or a combination of them, will have to be undertaken in post-war times. Most likely, a special agency entrusted with the responsibility of maintaining an adequate stream of total expenditure, say, an Office of Economic Stabilization, will have to be created. This office, together with the Treasury and with the Federal Reserve Board, will have to regulate the nation's stream of total expenditure.

The Control of Monopoly

In order that regulation of the total stream of expenditure produce the desired effect upon output and employment, producers must respond in a satisfactory way. Such a response takes place in an economy of competitive producers. An increase in the stream of total expenditure increases profits, and competitive producers respond invariably with an increase of output. In a similar way a diminution in the stream of expenditure makes competitive producers reduce output. Thus, in a competitive economy, control of the stream of total expenditure is sufficient to secure the maintenance of full employment. The situation is not changed by the presence of a few isolated monopolies, for

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

such monopolies respond to changes of demand and of costs in the same way as competitive producers do. But in our present economy a major part of production takes place under conditions which are described in modern economic terminology as "oligopoly" and "bilateral monopoly". Under these conditions entrepreneurial responses are different.

Oligopoly occurs when monopolistic producers are in a situation where any change in the price charged or in the output causes the producers of related goods to change their prices or outputs, which in turn affects the demand for each producer's product. In such a case no producer can predict what will be the effect of a change of his price or output; for this effect depends on what the others will do in response, while what the others will do depends on what he intends to do. But he cannot make a decision, unless he knows what the others will do. In this case, which we shall term "oligopolistic uncertainty", any single enterprise is afraid to make a decision because of the unpredictability of the results. In particular, it hesitates to reduce prices or increase output, for this might start a general reduction of prices, with the result that everyone would be a loser. Oligopolies are, therefore, reluctant to lower prices or to increase output. Such reluctance may eventuate in open or tacit agreements between producers, or, more frequently, in subconscious modes of group behavior (usually endowed with the halo of ethical "fairness"), modes designed to protect existing price and production structures.

Oligopoly can occur also on the side of monopolistic buyers or employers of resources (including services of labor).[4] In this case the change in the price offered by or in the input of any one user of resources causes other users to change their price offers or inputs. "Oligopolistic uncertainty" arises for similar reasons as in the case of oligopoly on the sellers' side. No buyer or employer can foresee what other buyers or employers will do in response to a change in his price offer or input. There arises a fear to offer higher prices or to increase input, and modes of group behavior develop that are designed to protect existing price offers and low rates of utilization of resources.

[4] In modern economics this is termed "oligopsony".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Similar conditions occur under bilateral monopoly, i. e., when monopolistic sellers deal with monopolistic buyers.[5] In this case price and quantity traded are a result of prolonged bargaining, and there is a natural reluctance to change agreed or customary terms, because of the uncertainty as to whether the new bargain will be struck on equally advantageous terms. Under bilateral monopoly as well as under oligopoly the output of products (or the use of resources) is determined either by compromises of interests of organized groups, or by well-established trade customs.

In all of these cases producers and users of resources may fail to respond to an increase in the stream of the total expenditure, because this would upset the established conscious or subconscious agreements. And in so far as they do respond, they will respond rather with a price increase than with an expansion of output, because this response entails a smaller risk of starting a free-for-all in which all will be losers. Similarly, they are more likely to respond to a diminution of the stream of total expenditure by reducing output than by reducing prices.

In an economy such as ours, dominated by oligopoly and bilateral monopoly, regulation of the stream of total expenditure does not suffice to maintain full employment, for producers fail to respond in the appropriate way. Regulation of the stream of total expenditure must be supplemented by specific controls designed to inspire the proper kind of entrepreneurial response. It may be true that if the government is ready to undertake deficit spending on a sufficiently large scale, the desirable responses of producers will be forthcoming anyhow; for if the stream of total expenditure increases indefinitely, a point will be reached where the oligopolistic reluctance to expand output is overcome. But this may require such a large increase in the quantity of money that there develops a danger of inflation through sudden spending of the stock of money accumulated by private producers and consumers. Furthermore, before the reluctance to expand output is overcome, the oligopolies will start raising prices ("oligopolistic bottlenecks"). The control of monopoly appears

[5] In current economic literature a monopolistic buyer is called a "monopsonist".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

thus as a necessary part of a policy aiming at the maintenance of full employment.[6]

The means of control of monopoly are the following: (1) antitrust legislation, (2) publicly owned and operated yardstick plants, (3) regulation of prices and production by public authorities, (4) public ownership and operation of monopolistic key industries. These measures are enumerated in the order of the degree of their interference with the existing system of private enterprise. How much interference will finally prove necessary cannot be foreseen at this time. It will depend largely on how private enterprise will respond to governmental regulation of the stream of total expenditure. It is largely the lack of "appropriate" responses which will encourage encroachments upon private enterprise. A few general comments may be worth while.

Antitrust legislation must be revised so as to facilitate effective enforcement. Clear-cut economic criteria (in terms of relation of price to cost) must be introduced and adequate sanctions must be provided for. Patent laws also must be revised. Competition by government-operated plants is a useful device for preventing the formation of monopolistic agreements, without socializing the entire industry. The existence of a very large number of government-owned plants built during the war facilitates this type of measure. The government might retain some of these plants and use them as yardsticks and monopoly busters. However, government competition and antitrust legislation alone cannot solve the problem. They suggest that the technological conditions of the industry are such as to make competition possible. But in many industries there is room for only a very small number of plants. Such industries cannot operate on a

[6] There are other reasons which make government control of monopoly desirable and even necessary in a democracy. One reason is that monopoly (in any form), by restricting the output of particular goods, leads to a use of resources which does not conform to the wishes of the consumers as expressed in their demand prices. This is a point which has received a great deal of attention in modern economic theory, but we shall dismiss it here as of secondary social importance. A more important reason is that monopoly (including oligopoly) leads to concentration of economic power dangerous to the survival of democratic political institutions. This point will be disregarded, too, as being beyond the scope of the present article.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

competitive basis. Attempts to force them to do so would only produce the state of "oligopolistic uncertainty" described above. In such a case public regulation or public ownership of the entire industry is necessary.

Regulation has proved to work in certain cases and to be unworkable in others. Sometimes it creates a constant friction between the government and the regulated business enterprises (which are forced to refrain from doing things that would increase their profit). Sometimes it leads to attempts of the latter to influence government, which may prove very demoralizing. Outright public ownership and operation of industries seem to be the far more liberal measure. Government intervention is here limited to the act of taking over the industry. After that the industry is operated like any other business, with the only difference that the aim of operation should be to provide goods and services at cost, not to make maximum profits. It may also prove necessary to extend public ownership to certain financial institutions (particularly those granting credits to farmers) as the only means of making debt structures more flexible.

The Distribution of Incomes

The war has brought about a deepening of democratic processes. People from the economically and socially underprivileged groups, who had little influence as citizens, have joined the armed forces or gone into war industries. This will increase their self-assertiveness and is bound to influence the nation's economic policy. It will result in the unwillingness of millions of citizens to be kept at a standard of living that is considered unworthy of Americans. Second in importance to full employment will be this obligation in post-war times.

The problem raised here is the guarantee to each citizen of a "national minimum", below which he need not sink. This requires two forms of government control of economic activity. One form is social security, supplemented by appropriate labor legislation and aid to farmers. The other form is progressive income taxation, the proceeds of which shall be used in part to provide citizens with free public services of different kinds. Furthermore, it may be found desirable to guarantee to each

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American citizen the payment by the United States Treasury of a minimum of income, to which he is entitled if, through no fault of his own, he is unable to find work and at the same time is not eligible for social security benefits. Such a "national minimum", in one form or another, will also facilitate the maintenance of full employment. It will do so because, by providing a "floor" beneath which incomes cannot fall, it will prevent the stream of total expenditure from sinking below a certain level. This will greatly facilitate the operation of the controls charged with the responsibility of maintaining an adequate stream of total expenditure.

Economic Controls and Democracy

We have enumerated what seem to be the minimum government controls of economic activity necessary after the war. We have discussed problems to be solved rather than the specific measures for solution. It can be foreseen pretty clearly that these problems are going to arise after the war. The machinery for attacking them will depend on a number of economic, political and psychological factors, the nature of which will become apparent only in the future. These factors will determine how great an encroachment upon traditional private enterprise will be necessary. That some encroachment is necessary has been shown above; it will have to be chiefly in the field of control of monopoly. The encroachment will be greater if private enterprise should prove unwilling to coöperate in the operation of government controls aiming at the maintenance of full employment. A refusal to coöperate or a refusal by the government to establish such controls may even lead to a breakdown of our traditional economic system.

Opponents of necessary government control of economic activity have tried to discredit it by associating it in the public mind with renunciation of democratic liberty. By giving the government power to control private economic activity, it is pointed out, we enable it to take away our personal and political freedom. If these predictions had been true, we would have ceased ten years ago to be a democratic nation. Actually we

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have just recently exercised our democratic rights in a great free election. These forecasts have turned out to be just as unfounded as the predictions that we would become a totalitarian state on the day we entered the war. Far from undermining democracy, these necessary controls of economic activity are indispensable for its continued existence. Democracy in Europe did not break down because governments planned and controlled economic activity to secure full employment and economic opportunities for the common people. It broke down because they failed to do so. In this country, too, if democracy ever breaks down, it will be because of the failure to establish the controls necessary to maintain full employment and free opportunities. The control of the economic activity of a few is frequently necessary to secure free opportunities for the many. Such a control, far from being dangerous to democracy, is the only foundation on which a true and living democracy can be secure.

OSCAR LANGE

THE UNIVERSITY OF CHICAGO

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ALUMINUM MONOPOLY AND THE WAR

THE second World War brought important influences to bear on the monopolistic position of the Aluminum Company of America (Alcoa), although opposing tendencies worked to check the influences inherent in the war situation. In this paper we shall examine the interplay of the conflicting tendencies affecting monopoly power during the war mobilization, and even in the beginning of demobilization.

Curbing Monopoly Tendencies

When the national government, representing the needs of the nation as a whole, places its insistent orders before a monopolistic war industry, the "normal" tendencies of the monopoly situation are substantially curbed. Large government orders, with financial provisions protecting business men against the risk of not realizing their costs on the market, stimulate production to the point of capacity operations. The tendency of a monopoly firm to produce less than competitive firms would produce, because of its ability to control the market and its fear of shrinking profits, is shattered by the fact that larger volume is surprisingly associated with high, or at least strong, prices. The monopolist may experience the unusual pleasure of seeing a fall in unit costs accompany capacity performance of his existing plant. This may even encourage the monopolist to refrain from raising unit prices in spite of bottlenecks (that is, special shortages and increased costs of those factors most inelastic in supply), although a substantial fall in prices would not be typical.

Alcoa had felt the influence of expanding armament programs as early as 1938, when, working at capacity, the company laid plans for large increases in capacity. Prices, far from being increased, were successively reduced from 20 cents to 15 cents, the last step being taken in September 1941.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

There were special reasons for this reduction in prices. During the period following 1937, Alcoa had been defending itself in an antitrust trial record-breaking in length, which did not terminate in a decision in the District Court until October 1941.[1] (The lower court verdict "Not Guilty" is now being appealed to a special court composed of Justices of the Circuit Court of Appeals.) From the standpoint of public relations, therefore, price reductions rather than increases were appropriate, especially since evidence at the trial had suggested that Alcoa's direct production costs hovered near 10 cents a pound.[2]

Secondly, certain major capital costs necessary for the provision of a power supply, an indispensable and costly element in aluminum production, were borne by the government through its federal power program.[3] Thirdly, special tax allowances permitting the cost of privately constructed war plant facilities to be written off in only five years were voted by Congress in August 1940. The allowances applied to plant built after July 10, 1940, and left a larger share of corporate income free from tax. Finally, as will be described, the first independent producer to make and sell aluminum in the United States since the days of the Cowles Company made its debut: the Reynolds Metals Company. The Alcoa price reduction served warning on potential competitors that their untried business skill, foreboding higher initial costs, would have to meet Alcoa's lower charges. If attracted by the expanding war market, they could not enjoy the umbrella of Alcoa's previous high-price policy, and therefore could not survive without government subsidies.

As total war calls for massive increases in basic material supplies, expansion of capacity beyond the pre-war point may be demanded and even financed by the government, particularly if a new good is demonstrating its qualities for the first time on a large scale, and gaining in permanent popularity. These tendencies affected aluminum chiefly through the broader use of

[1] Equity No. 85-73, In the District Court of the United States for the Southern District of New York, United States of America v. Aluminum Company of America, *et al.* Petition filed April 23, 1937.

[2] Equity No. 85-73, Exhibit 718. Overhead costs are excluded. They would add about 9 per cent to this figure.

[3] See *infra*, p. 39.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

air power in military and naval strategy, although the metal found certain other military uses in replacing scarce metals such as copper, or heavier metals such as steel. The Army found aluminum foil desirable in food packing, and aluminum invasion landing mats replaced steel, to cite two out of many uses.[4]

If all new capacity called for is directly controlled by the monopoly, or if the capacity, although financed and owned by the government, is integrated into the monopoly's production flow, the result of capacity extension may be merely to transform a little monopolist into a big one. Even if this occurs, the increased production and capacity imply that a larger social demand is satisfied than would ordinarily be true under monopoly policy in "normal" times.

Capacity and Production Increases

While the production rate of primary aluminum at the beginning of 1939 was 300,000,000 pounds a year, and had increased to only 325,000,000 pounds by the outbreak of war, production in 1942 was 1,042,000,000 pounds, and in 1943, 1,839,800,000 pounds. The monthly rate rose from 64,500,000 pounds in January 1942 to a peak of 188,100,000 pounds in October 1943, after which it declined gradually as a result of cutbacks to 152,900,000 pounds in May 1944.[5] The bulk of the increase was produced by the eight new ingot plants which came into operation during 1942 with a total rated capacity of over 1,000,000,000 pounds. The 1943 production alone is more than double the production rate of 917,200,000 pounds a year which was attained shortly before Pearl Harbor.[6]

Capacity increases at first were confined to the privately financed efforts of Alcoa, which in 1938 inaugurated a plant expansion program finally reaching $250,000,000 and doubling

[4] *New York Times*, February 8, 1944.

[5] War Production Board, *Facts for Industry*, Series 1-2-1, 1-2-2, 1-6-4; and U. S. Senate, 77th Congress, 1st Session, *Hearings before a Special Committee Investigating the National Defense Program, Pursuant to S. Res. 71*, part 3, May 12, 14, 15, June 16, 17, 1941, *Aluminum* [Hereafter referred to as *Truman Hearings*], pp. 783, 824.

[6] War Production Board, *War Production in 1942*, p. 8.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Alcoa's owned capacity before the end of 1943. Alcoa set up a new reduction plant at Vancouver, Washington, using Bonneville power, and enlarged its manufacturing plants at Cleveland, Alcoa (Tennessee), Massena (New York), Lafayette (Indiana), and New Kensington (Pennsylvania). In Surinam a new bauxite development was begun, and mining operations were extended in Arkansas and wherever even inferior bauxite was available elsewhere in the United States. A foundry and forge plant were completed in Los Angeles; testing equipment in the Aluminum Research Laboratories was expanded. Alumina output at Mobile was tripled. Alcoa went ahead with plans to develop the Glenville and Nantahala power projects on tributaries of the Little Tennessee River. Representing an investment of $15,000,000, these power projects had a planned capacity of 60,000 kilowatts—enough to serve two pot rooms pouring forth 60,000,000 pounds of aluminum a year. At Alcoa, Tennessee, a new rolling mill was erected which, with a yearly production between 144 million and 180 million pounds of alloy sheets and a capital cost of $35,000,000, was reckoned the largest aluminum sheet mill in the world.

Forging capacity was increased twenty-four times, extrusion capacity eight times, castings eleven times. Alcoa's employment was doubled; in four years after December 31, 1938, its total assets had almost doubled. Capacity extensions were spaced as follows: 150,000,000 pounds between September 1939 and December 1940, 180,000,000 pounds in 1941, 55,000,000 pounds in the first half of 1942, raising total capacity to 730,000,000 pounds by August 1942. Later additions brought Alcoa's owned capacity up to the grand total of 848,000,000 pounds as reported in January 1944.[7]

New Firms and Processes

When wartime expansion calls for a government investment in plant capacity, the government can, if it wishes, introduce new firms to supply the new capacity, thus deliberately destroy-

[7] *Moody's Manual*, 1943, p. 383; *Truman Hearings*, part 3, pp. 783-84, 793, 797, 900-1; Aluminum Company of America, *Annual Report*, for 1939, 1940, 1941; *New York Herald Tribune*, January 3, 1943; 77th Congress, 1st Session, *Sen. Rep.* No. 480 (Truman Committee), *Report of Mr. Mead*, June 26, 1941, p. 7.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing the monopoly, at least while the capacity is in use. In wartime the granting of a subsidy to a new entrepreneur would be the more weakly opposed, as it would be related to military need. In production of light metals such subsidies would take the form of government investment in production plant and in power developments.

The magnitude of government subsidy for wartime aluminum production is indicated by the total commitments of the Defense Plants Corporation (DPC): $779,465,000, of which $185,799,000 went to aluminum smelters, $83,398,000 to alumina plants, $441,429,000 to fabrication plants, $28,204,000 to power facilities for aluminum production, and the remainder, $35,635,000, to miscellaneous projects related to aluminum.

Independent firms, however, received scanty pickings. In December 1943, all the alumina plants built and operated for the DPC were in the hands of Alcoa as manager. A DPC plant managed by Kalunite, Inc., was then on the verge of production. All but one of the aluminum reduction plants of the DPC were in the hands of Alcoa, which turned out 96 per cent of the output of DPC aluminum plants. The Olin Corporation plant in Tacoma, Washington, affiliated with Kalunite, was the sole, small exception. Alcoa also took a large share of the DPC fabricating plants, having been designated "to build and operate numerous government-owned fabricating plants."[8] How this concentration of control over DPC capacity came about is the subject of inquiry below.

As a higher rate of production is demanded, new processes may be introduced, either through the medium of new firms or through the old monopoly. Sometimes new processes have been withheld because they afford a greater volume of production than the peacetime market will absorb without major price changes or an aggressive educational campaign. Sometimes independent entrepreneurs have been unable to market or develop their new processes because a monopoly controls a limited market. In either case, guaranteed market expansion allows new techniques to build a beach head. But a beach head is not enough. In the case of aluminum, where outsiders

[8] *Moody's Manual*, 1943, p. 383.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

were the bold bearers of new methods, they were blocked by policies which sacrificed long-run superiority in supply to short-run expediency and to the protection of monopoly power. We shall see why this took place.

War establishes a climate in which "consumer" is identified with "the nation" with striking symbolic results. Attention is turned to the social performance of war industry. Poor performance—in quality control, meeting volume needs, inefficient costing—is immediately seen as detrimental to the public interest. Disapproval falls heavily on profiteering and monopoly restrictions. Nevertheless, not all factors in a war situation are conducive to greater flexibility and social responsiveness of monopolies, and to the entry of new firms. Administrative officials in charge of procurement, government investment, and related matters may be drawn from the ranks of big business, if not from the very industry with which they must deal. They reflect a point of view which is lenient toward monopoly practices and unsympathetic to small business. High officials may be immune from these traits but forced to rely on the practical advice and technical knowledge of subordinates or consultants, trained in the ranks of monopoly organization and well disposed toward it.

The Share of the Military

Some share of the responsibility for the well-known delays in aluminum procurement to meet United States war needs falls on the Army and Navy Munitions Board which took aluminum off the strategic list in January 1940. In April 1940 the Board was quoted as "anticipating no major problem" in the aluminum industry. While it was conceded that civilian and military requirements, especially in aircraft and heavy transportation, were increasing at an accelerating rate, and that fabricating facilities and bauxite might be inadequate if the demand for special shapes increased, the Board listed aluminum as "critical", not "strategic". The critical category embraced materials essential to defense, but less essential than strategic materials, more available at home, and requiring "some conservation and distribution control". The Board concluded cheerfully:

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"After several years of research, and continued technical developments in that industry, a thorough survey of materials and facilities matched against requirements reveals that no particular problem is presented." [9]

Discouraging a self-sufficiency policy toward bauxite as too taxing a drain on our limited home supply of bauxite, the Army favored, as an emergency measure, maintaining the sea lanes to South America until home resources were made available! Thus our military authorities made several mistakes in planning: (1) they greatly underestimated the aluminum requirements of a protracted air war; (2) assuming that no interruption of shipping was within the horizon of probability, they ignored the possibility of building up a stockpile of aluminum; (3) they made no plans for developing new methods to utilize home resources. Whether this inanition communicated itself to Alcoa, or whether a reciprocal flow of unfounded confidence ran from the monopoly to the Army as it did to the Office of Production Management (OPM), is not easy to judge, nor is this necessary. Responsibility cannot be avoided on the basis of either assumption.

In June 1940 estimated requirements for May 1941 were fixed at 50,000,000 pounds a month, of which only half was military. With current production capacity of Alcoa then at 30,000,000 pounds a month, no great procurement problem was foreseen. But when President Roosevelt, in May 1941, announced the production objective of 500 bombers a month (each bomber absorbing from 60,000 to 80,000 pounds of aluminum), the direct military program was raised to 100,000,000 pounds a month.[10] This meant not only using all current production for the most urgent military needs, leaving none for civilian uses, but also great production increases for military use alone—an aim finally attained as the aluminum production program reached its peak nearly two years after Pearl Harbor.

[9] Army and Navy Munitions Board, *The Strategic and Critical Materials*, March 1940, pp. 20-23; *Strategic and Critical Raw Materials*, Department of Economics, Government and History (West Point, 1940), p. 15.

[10] *Truman Hearings*, part 3, pp. 713-15.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Reliance on Alcoa

Until August 1941 there was no contract signed for government-financed expansion of aluminum capacity; Alcoa privately financed the enlargements and additions which were to yield capacity for approximately 700,000,000 pounds (or about half the military program as foreseen in the spring of 1941) by the end of 1941.

Yet there was assurance on the part of public officials and Alcoa that production plans were completely geared to war needs. The government planners, whose inexperience forced them to rely heavily on the program and interpretation of the established firm, virtually vested the planning power in Alcoa. It would hardly be surprising if, in such a case, planned capacity were restricted for fear of post-war surpluses. Starting in May 1940, Edward Stettinius, then a member of the National Defense Advisory Commission and later of OPM, assured the public that aluminum was not scarce. He reiterated, on November 8, 1940, that there was an actual surplus of aluminum over military and civilian needs. A few weeks later Northrop Aircraft, Inc., made the nation's headlines by complaining of insufficient aluminum supplies for airplane production.[11]

On August 12, 1940, Irving W. Wilson, Vice-President of Alcoa in charge of operations, and one of the last witnesses in the antitrust trial, testified that Alcoa was in a position to supply the United States government with all the aluminum needed for military expansion in the coming year, and to provide additional amounts for the British. Wilson further assured the court that Alcoa's private expansion programs would be enough to supply the United States government for two years, even should requirements continue to increase. According to I. F. Stone, Richard S. Reynolds, President of the Reynolds Metals Company, fearing German air strength augmented by bauxite and aluminum from conquered France, urged Arthur V. Davis to ask the government for funds to triple Alcoa capacity, with the agreement that new plants be closed down at the end of the war.

[11] I. F. Stone, *Business as Usual, The First Year of Defense* (New York, 1941), p. 54.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Davis told Reynolds there was ample aluminum and no cause for unnecessary alarm.[12]

But William Batt, Deputy Director of Production in OPM, was forced to tell the Truman Committee on May 12, 1941, that " our sights all the way down the line have been too low " and that 1941 production would meet only the highest-priority military requirements, mainly the heavy bomber program.[13] Two days later G. R. Gibbons, Senior Vice-President of Alcoa, contributed to the clarification of the picture by asserting before the committee: " There is plenty of aluminum for national defense today, at this minute. . . . There may be a shortage next month." [14] Secretary of the Interior Harold L. Ickes sharply retorted a month later: " That is a statement which was as incorrect then as it is incorrect to date. Personally I think that this statement betrays either incompetence or self-interest, both of which are dangerous to our program of national defense." He complained that, unless the government built aluminum plants, " we would continue to be at the mercy of the Aluminum Company's apparent purpose to continue expansion on a piecemeal basis."

OPM and the Shortage

Senator James Mead's summation of the state of affairs in a special report issued by the Truman Committee lays the blame of " serious miscalculations " on OPM for listening to Alcoa's assurance as to the adequacy of the supply.

> During this time . . . OPM had apparently completely relied on . . . Alcoa as a source of information as to the availability of aluminum and had discharged [*sic*] anyone else from going into the business. . . . It is reasonable to conclude that Alcoa had convinced . . . OPM of the adequacy of the supply in order to avoid the possibility that anyone else would go into a field which they had for so many years successfully monopolized. How they expected to take care of the situation when the shortage became apparent is not clear. They may have reasoned that in its desper-

[12] Stone, *op. cit.*, p. 51.

[13] *Truman Hearings*, part 3, p. 716.

[14] *Ibid.*, p. 817.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> ation the Government would do almost anything to increase the supply and that Alcoa would be favorably treated by the Government in order to assure an adequate supply for defense purposes.[15]

The OPM itself blamed the shortages on several factors: (1) increased working inventories of aircraft plants which stocked up for ten months of production instead of for the expected two months, (2) increased indirect military requirements such as wire, pots and pans, (3) large withdrawals of secondary aluminum from the market, (4) a temporary fall in imports from Canada, and (5) bottlenecks in finishing capacity.

The increased inventories and the withdrawal of secondary aluminum can be interpreted as hoarding induced by an uncontrolled market and by uncertainty that supplies would be forthcoming when needed. This reflects the inadequate scope and intensity of control and its slow application in a particularly tight market.[16] The lack of fabrication facilities suggests inadequate planning of coördinated expansion by Alcoa, as well as chronic monopolistic limitations of capacity.

Not all interested parties underestimated the need for aluminum. Reynolds Metals Company, without encouragement from the National Defense Advisory Commission or its successor, OPM, proceeded to construct plants of 120,000,000 pounds capacity in 1940 financed by an RFC loan. Bohn Aluminum and Brass Company tried in vain to secure financial aid from the government for an aluminum plant in March 1941 when the situation was becoming more obvious. The Swiss company, Aluminum Industrie, A. G., Neuhausen, was also rebuffed by OPM when it offered to finance its own plant.[17] Why then did Alcoa underestimate the need? Was it a random error with equal probability that Alcoa would overestimate the need? Testimony suggests that Alcoa suffered from a systematic prej-

[15] *Mead Report*, p. 3.

[16] *Truman Hearings*, part 3, p. 714. As late as February 21, 1941, the *New York Herald Tribune* spoke of a voluntary attempt of aluminum-using industries to distribute the supply equitably. Shortly after, the OPM restricted the flow of aluminum into ice trays (*New York Times*, March 9, 1941), and on April 6, 1941, the *New York Herald Tribune* reported that OPM *intended* to cut down on the consumption of a small quantity of aluminum in private airplanes.

[17] Stone, *op. cit.*, pp. 98-99.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

udice in judging the size of the government's demand. Said Senior Vice-President Gibbons: "I did think last fall [1940] that there was a high probability of there being very much less need for aluminum than turned out to be the case. That was my error, but I recall distinctly thinking we were forging ahead, and where were we going to land out here? . . . I didn't know, but I thought we might land with a huge capacity here and nowhere to go." [18]

The Government Expert

As an example of the kind of government official who apparently accepted Alcoa's opinions, interpretations and suggestions, there stands Grenville R. Holden, OPM consultant on aluminum and magnesium, who told the Truman Committee: "I think . . . Alcoa as the only producer of aluminum is the only place where we are sure that we can get aluminum." [19] But he failed to study Reynolds' facilities before deciding to confine the government's expansion program to Alcoa. He rejected an offer of Bohn to build an aluminum plant, if financed by government funds, although Bohn had familiarized itself with the problems of raw materials, transportation and energy.[20] He was even prepared to recommend a proposal of Alcoa's counsel, Oscar Ewing, that the War Department buy the Fontana dam site which Alcoa had kept idle to avoid recapture under the terms of a Federal Power Commission license.[21] As Ewing had proposed, the War Department should build the dam and power facilities, and lease them to Alcoa for five years with the lessee having option to buy! It would indeed be difficult to find a more startling attempt to reverse the long-run power policies of the federal government. Yet this incident follows logically from the position that it is the function of the government to comply with the dictates of the established seller in the seller's market of war economy, even if this requires tremendous government investment carrying no condition of control.

[18] *Truman Hearings*, part 3, pp. 820-21.

[19] *Ibid.*, p. 848.

[20] *Ibid.*, p. 852.

[21] See *infra*, p. 39.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"I was prepared to recommend anything that would get aluminum", stated Holden to defend his partiality to Alcoa.[22] Yet he rejected the Seailles process for utilizing high-alumina, high-silica bauxite in Arkansas, using local gas as fuel. This process, originally sponsored by the French government, was of interest because of the dwindling of high-grade domestic deposits of bauxite, and the submarine warfare which interrupted bauxite convoys in the Carribbean as the war went on. Upon the instance of Secretary Ickes, the Bureau of Mines had investigated, and reported favorably on, the Seailles process.[23]

Such extreme distaste for new enterprise has one root: the very existence of the monopoly implies that all new enterprise is young, inexperienced (owing to the shortage of technicians), full of experimental methods.[24] Initial failures, for example, in developing a new method, reinforce the conviction of conservative officials that it is unwise to deal with the young fry.

Production from Clay

The challenge of new enterprise and methods was offered in the field of alumina production from non-bauxite clays. Only one out of sixty processes submitted to the War Production Board had reached the point of production by December 1943, and it seemed unlikely that the chief runners-up would be as successful. "Many of the substitute processes were technically defective; some were poorly presented or insufficiently researched; but about a dozen withstood close technical review. Only one—Kalunite, Inc.—has broken out into the clear."[25] In fact, the entire non-bauxite program was scrapped in September 1943 by the Production Executive Committee headed by Charles E. Wilson of General Motors, although "a great outburst of protest" led to the temporary restoration of two alkali processes to the active list: one by the Monolith Portland

[22] *Truman Hearings*, part 3, p. 844.

[23] Stone, *op. cit.*, p. 107.

[24] As late as June 1941, I. W. Wilson of Alcoa admitted that the company had no apprentice program to increase the supply of competent plant officials. *Truman Hearings*, part 7, p. 2116.

[25] "Aluminum: Have or Have Not?", *Fortune*, December 1943 [hereinafter cited as *Fortune*], p. 258.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Midwest Company of Laramie, Wisconsin, and the other by Ancor Corporation in South Carolina.[26] But no actual grants were made to them out of the meager $16,500,000 earmarked for non-bauxite methods.

Before telling the story of the process that enjoyed some success—the Kalunite process—and of a good process that was rejected, the Hixson-Miller process, it will be useful to have in mind the background of the critical raw material situation threatening the aluminum industry.

By May 14, 1941, Gibbons was able to report Alcoa bauxite stocks of only 131,000 tons, or enough to produce roughly 65,000,000 pounds of aluminum—an insignificant part of even the direct military requirements for 1941.[27] Submarine warfare was beginning to threaten bauxite shipments from the Guianas, where Alcoa customarily drew from 60 to 70 per cent of its bauxite, cautiously conserving the limited high-grade supply at home.

Economic and military implications are unpleasant. An aggressor snapping at the long shipping lines from South America or the Netherlands East Indies (where Alcoa and Reynolds, it is reported, have made such commitments as they could for post-war supply) could ruin our aviation. Of course we could prudently amass a huge stockpile against such emergency, improving on past performance in this regard. But even in a stable peace economy, the hydroelectric development implicit in anticipated industrialization of South America will draft large quantities of aluminum fashioned from local bauxite supplies; and the North American aluminum industry, if dependent on bauxite, will suffer.

Immediate as well as long-run disadvantages were incurred by the rejection of new methods and the continued use of the Bayer process, adapted to low-silica ore. Alcoa, geared to an aluminum production program aiming at a peak of over 2,000,000,000 pounds a year, and faced for a time with "fearful" losses of Guiana ore through submarine raids, stripped and mined newly discovered bauxite in the South, and picked over

[26] *Fortune*, pp. 261, 266.

[27] *Truman Hearings*, part 3, p. 798.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the known mines in states once scorned as sources.[28] Most of the gleanings were of such low grade as to require extra processing for use in the Bayer process. Three tons instead of two were needed for each ton of alumina produced. Freight and fuel costs reflected the extra bulk. Each pound of silica wasted one and a half pounds of alumina, and a pound each of soda ash and lime. To recover some of the lost alumina, Alcoa installed " red mud " reclamation equipment in the four alumina plants which it operated.[29] While enabling the East St. Louis plant (according to Alcoa) to digest bauxite which is 11 per cent silica, the extra equipment has cost the United States government $42,500,000, or over eight times the amount spent on a single non-bauxite alumina plant, that of Kalunite.

Investment in non-bauxite alumina might have reaped a post-war harvest. Despite the freight economies of geographical integration with Pacific coast power facilities, ingot plants, and aviation production, we do not know whether alumina from northwestern clays can compete with high-grade bauxite imports used in the Bayer process. Nor can we know this until some new methods reach the scale of commercial operations, with the operating economies, technical reforms, and profitable use of by-products absent in the test-tube or even pilot-plant stages. There is reason to think that fear of post-war contraction of the aluminum market has inhibited the application of the new processes, especially since they have been vigorously pressed only by independents, although sometimes known to Alcoa; for officials may have felt that in our nation, which has a small business culture (if not a small business economy), weaker public repercussions would follow the contraction of one firm's production than would be felt if independent firms were eliminated, especially in a lately developed region such as the Pacific Northwest.

The Hydrochloric Method

Let us turn now to the specific cases of the Hixson-Miller and Kalunite processes. Professor A. W. Hixson of the Department

[28] *Fortune*, pp. 137, 265.

[29] *Ibid.*, p. 138.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of Chemical Engineering at Columbia University and Ralph Miller of the Chemical Foundation jointly developed a process for making alumina from clay, using hydrochloric acid.[30] Although this kind of method had been explored for half a century, Hixson and Miller invented the use of the selective organic solvent, isopropyl ether, to separate the iron impurities from the alumina. They also made it technically feasible to utilize a hydrochloric method on a large scale, adapting the experience of a new plant (announced November 1940) which produced phenol-using hydrochloric acid under severe conditions. The scientists saw no reason to broadcast their knowledge while the Alcoa monopoly was serving the peacetime market, but the growing world crisis and the American defense program spurred them to action. They informed the Bureau of Mines of their work; OPM was notified and requested that a committee of the National Academy of Sciences, OPM's technical adviser, meet with Miller and Hixson.[31]

After some delay the matter was considered by the subcommittee on alumina of the NAS Metals Conservation and Substitution Group, of which Group Dr. Zay Jeffries, formerly connected with Alcoa, was chairman. Jeffries informed Miller on August 27, 1941, that the process was not thought to be far enough advanced for serious consideration. Even had the method been quite perfect, however, it is apparent that the Group had another objection to this clay-based process; for, said Jeffries, "Plans have already been made for the ex-

[30] Roasted clay is dissolved in concentrated hydrochloric acid leaving as waste insoluble silica. Ferric and aluminum chlorides which emerge are treated with isopropyl ether which separates out the iron, leaving alumina and hydrochloric acid. *Fortune*, p. 262.

[31] The NAS was incorporated by congressional act in March 1863, to mobilize science for the Union cause in the Civil War. During the first World War it organized the National Research Council to concentrate its war activities. Later the NAS was made permanent by presidential order. The NAS has lines to over fifty scientific societies. It has a quasi-governmental status, with the responsibility of advising federal agencies. See U. S. Senate, 77th Congress, 2nd Session, Committee on Military Affairs, *Hearings before a Subcommittee on S. 2721. A Bill to establish an office of technological mobilization, and for other purposes* [hereinafter cited as *Kilgore Hearings*], November 20, 25, 27, and December 4, 10, 11, 1942 (Washington, 1943), vol. 2, pp. 307-17.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

pansion of the aluminum industry on the basis of bauxite." (This was shortly after Alcoa had signed contracts with the DPC for alumina and aluminum plants.)

Specific criticisms (thought by Miller to be chiefly unfounded) were offered by the subcommittee. Miller was invited in January 1942 to develop his process in the laboratories of the National Gypsum Company with the aid of the Buffalo Electro-Chemical Company (Becco). The process was revised on the basis of further laboratory work. The Academy received copies of the revised process in July 1942 but granted neither audience nor reply to the inventors thereafter. It did, however, report adversely to the WPB (which had by then superseded OPM) on the request of Becco for a $250,000 government grant to launch the process in a pilot plant.[32]

Miller believed that the process had not received a fair hearing. There was no central agency coördinating all government technical resources and able both to analyze technical resources and to give financial aid to "people with ideas and limited resources". Moreover, the Academy subcommittee on alumina had among its four members Francis C. Frary, director of research of Alcoa, and Robert S. Sherwin, alumina plant manager of Reynolds—people whom Miller thought incapable of unprejudiced decision on the question of a subsidy to a competing method. S. K. Colby, Alcoa's Vice-President, was also a member of the Academy's Metals Conservation and Substitution Group, no doubt invested with special authority on questions concerning aluminum, the metal with which he was familiar. As the WPB relied entirely on the NAS Group for information on metals, the scale was weighted against the Hixson-Miller process, apparently regardless of technical merits or faults.[33]

[32] *Kilgore Hearings*, pp. 389, 411-13.

[33] The NAS, as evaluated by M. M. Whitaker, naval architect testifying before the Kilgore Committee in favor of equal open licensing of patents through a central technical agency, "is largely composed of eminent scientists who are employees of the leading corporations of the country. It is human and natural to see the side which represents the individual meal ticket. Most of them . . . are of mature years. To a great extent they have become crystallized in their ideas and their viewpoint is conservative. They prefer things as they are rather than to venture into new and untried fields." *Kilgore Hearings*, p. 357.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A few months later the WPB gave Anaconda Copper Mining Company several hydrochloric acid processes for investigation. Anaconda recommended one identical with the revised Miller-National Gypsum-Becco process. But this was no more successful than the first.

The Kalunite Method

Since 1935, Kalunite, Inc., had been working in Salt Lake City, on a semicommercial pilot-plant basis, to perfect " a dilute-acid process, capable of treating any aluminous material of which the aluminum content is soluble in sulfuric acid "—the cheapest and most plentiful acid on the market.[34] This process is thought to be applicable to low-grade bauxite or clay. But the material actually used was alunite, a potash-aluminum ore, of which proved reserves, containing 20 per cent or more alumina, amount to about 12,000,000 tons, or a year's emergency tons. Utah is said to possess enough alunite to run a plant producing 60,000,000 pounds annually for over ten years.

The process was worked out in the 1920's by the late Murray Sanders, an engineer. Olin Corporation of East Alton, Illinois, bought a 90 per cent interest in the original Kalunite Company in 1934. Similar sulfuric acid processes had been used in Norway in the first World War and had been applied by the Japanese in Korea and Manchuria. In 1939 the Kalunite staff succeeded in producing fifty tons of satisfactory alumina.[35]

According to Frank Eichelberger, President of Kalunite, Alcoa sent its alumina expert, R. S. Sherwin (who later went over to Reynolds), to examine the process. Sherwin reported that the cost was within the margin of practical application set at $30 a ton, even without credits for by-products of potassium sulfate and sulfuric acid. Apparently Alcoa promised to, but did not, test the alunite product in its pot rooms. Kalunite had to go to Switzerland for a test run of its alumina. The Swiss company, Aluminum Industrie, A. G., Neuhausen, which produced test aluminum from Kalunite's alumina, was enthusiastic about joint commercial exploitation, " but Mr. Hitler tapped them on the shoulder."

[34] *Truman Hearings*, part 7, p. 2127.

[35] *Fortune*, p. 258.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

When in September 1940 Eichelberger asked the National Defense Advisory Commission for a certificate of necessity to go ahead with its production plans under government sponsorship, he was told that "there was lots of aluminum for every purpose" and "we were politely asked out." [36] Acting through Secretary Ickes, Eichelberger secured an investigation by the Bureau of Mines after Holden of OPM had told Eichelberger that "he wasn't a bit interested in us." A favorable report from the Bureau, recommending a 200-ton-a-day pilot plant, lay idle at OPM for a month. Finally OPM appointed Dr. Jeffries, Dr. Gillette and Clyde Williams as a technical committee to investigate. They reported favorably. But OPM appointed still another metallurgical expert, Mr. Burkey, who told Kalunite: "Why it is wonderful, but you fellows are going to get nowhere. The Aluminum Company has got you barred." [37]

OPM delayed decisive action, recommending instead that Kalunite erect another small pilot plant. Said Eichelberger, "I read three books sitting outside other people's doors." [38]

Opposition to Kalunite was evident in the statements of Arthur H. Bunker, chief of the Aluminum and Magnesium Section of OPM's Production Materials Division. Strategic reasons, potash impurities, low grade of available alunite, the small projected scale of Kalunite operations, and high cost were successively cited by Bunker as reasons for eliminating the alunite-acid process from consideration.[39]

All government-financed alumina was placed in Alcoa's hands by the 1941 DPC contracts. But finally, possibly as a result of Truman Committee publicity, the National Academy of Sciences recommended a 35-ton-a-day pilot plant. Donald B. Nelson, chairman of WPB, increased this to 100 tons in May 1942. In December 1943 Kalunite was installed in a $4,954,000

[36] *Truman Hearings*, part 7, p. 2128.

[37] *Ibid.*, p. 2130.

[38] *Ibid.*, p. 2137.

[39] *Ibid.*, pp. 2187, 2191-94. Dr. Frary of Alcoa and of the NAS alumina subcommittee said that the potash in the alunite would damage reduction equipment and that the fine-grain size of Kalunite alumina would cause excessive dust loss. On the other hand, as potash makes a salable by-product and lowers the overhead cost chargeable to alumina, Kalunite's method may have a chance after the war.

LAW LIBRARY
SEP 25 1947

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plant owned by the DPC near Salt Lake City, on the verge of producing alumina to supply the Olin-operated DPC smelter in Tacoma, Washington.[40]

Meanwhile the Olin Corporation was putting in its bid for a share in the aluminum reduction contracts. The Bonneville Power Administration suggested that an aluminum plant of 30,000,000 pounds capacity, to be run by Olin, be set up in the Tacoma-Covington area. (Two other plants, one at Cascade Locks to be run by Alcoa, and one at Spokane to be operated by Union Carbide and Carbon Co., were contemplated by Bonneville to use available power in the Bonneville-Grand Coulee region.) The Bonneville suggestions conformed with the directive, expressed in the Bonneville Act, not to foster monopoly.

But Arthur Bunker of OPM eliminated Olin from the plans when, in an announcement of July 2, 1941, he transferred Olin's capacity to Alcoa at Cascade Locks. Later Paul Raver, Bonneville Administrator, was able to reinstate Olin at Tacoma by drawing on reserves for an extra 32,500 kilowatts. There were delays in securing definite authorization and signing the DPC contract. Bunker insisted that Olin agree to have Alcoa design the plant on a fee basis.[41] Faring westward, Mr. Chadwick of OPM selected a plant site for Kalunite in the state of Washington, with the advice of Alcoa's chief engineer, Mr. Jolly. Jolly objected to sites preferred by Kalunite because they were unsuitable for an electrode furnace, while Olin intended to use the Soderberg continuous electrode, making such a furnace unnecessary. According to Eichelberger, the Jolly site was located "in stump country" far from tidewater and power, with "jerkwater" rail connections. He was convinced of a deliberate attempt to discourage him from production.

It was clear that OPM (represented in negotiations with Bonneville by Jesse Jones and Mr. Cortesi) wanted a single new plant to be built in the Northwest with a capacity of 165,000,000 pounds—as large as Alcoa's own plant at Vancouver. Raver opposed:

[40] *Fortune*, p. 258.

[41] *Truman Hearings*, part 7, p. 2203.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> We protested against having this additional block of aluminum concentrated in one plant . . . from an operating point of view, certainly Bonneville could provide this capacity much more efficiently and at less cost and with much better operating conditions if this load was distributed over our transmission system instead of being concentrated at one spot. We recommended that the power load be divided up into at least 3 alumina plants. . . .
>
> In the second place, we have some responsibilities under the Bonneville Act for the development of this region and we felt . . . it was better to decentralize this large industry . . . to give a better balance to the economy of the region. We also felt that, from a national defense point of view, it was objectionable to concentrate these very important large loads in one spot . . . .
>
> Then the monopoly implications of the single-plant location also struck us rather forcibly. It was apparent and indeed it was asserted by the officials of OPM that the Government would have to have so vast a plant operated and managed by Alcoa, since only that company, according to these officials, had the requisite skill and managerial ability to run a plant of that size . . . it seems to me that if we have several plants out here, operated by independent operators, we have a much better chance of those plants continuing in operation after the emergency . . . than if the entire operation is under the control of the present monopoly. . . . Alcoa operates plants in many other parts of this country, even in Canada. If they control the entire aluminum production in the Northwest it will be their choice when this emergency is over, as to what plants will continue in operation, and the Government, not having developed any other operators, will be at their mercy in that decision.[42]

Although the small Olin plant was kept in the program, the Union Carbide plant at Spokane was dropped. Thus Olin remained as the last remnant of Bonneville's program to subsidize independent producers as protection against future monopolistic restrictions.

Reynolds Makes Headway

The only other independent aluminum producer to make headway even in the era of expanding metal markets, the Reynolds Metals Company, did so without subsidy through the DPC.

[42] *Truman Hearings*, pp. 2114-15.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Before the war this company was one of the largest American consumers of aluminum ingot. In 1940 Richard S. Reynolds, President, looked ahead to war needs, and planned to make aluminum. He was unable to win encouragement or sponsorship from the National Defense Advisory Commission.[43] Finally, through the intervention of Senator Lister Hill, of Alabama, the Reconstruction Finance Corporation granted Reynolds a loan, in August 1940, to construct plants at Lister Hill, Alabama, and Longview, Washington. The final amount of the loan was $20,000,000; $4,200,000 for the Washington plant, $15,800,000 for the Alabama plant.[44] The loan was secured by a first mortgage on the eighteen existing Reynolds plants, and Reynolds earmarked a percentage of future earnings for amortization. Thus, in sharp contrast to the assumption of all capital expense and risk by the DPC in building aluminum plants run by Alcoa in 1941 and 1942, Reynolds became a producer of aluminum ingot by pledging the firm's own assets to secure a government loan. That Reynolds was able to dig in at all was a tribute to the financial resources of the integrated Reynolds Metals Company, to the persistence of its president, and to the favorable condition of an expanding market—but hardly to a vigorous government policy dedicated to building up independent aluminum production.

Alcoa was swift to act. According to Mr. Reynolds, Alcoa reduced ingot shipments to Reynolds by 40 or 50 per cent after the end of the testimony in the antitrust case and the granting of the RFC loan in August 1940. As a result, Reynolds Metals Company was forced to use up its flow-metal stock in order to maintain production.[45] It should be remembered that Reynolds had done business with Alcoa for fifteen years, fabricating aluminum foil, powder and paste from metal supplied by the monopoly.

The Reynolds plant at Lister Hill was built in the record time of six months, producing aluminum for the first time on May

[43] *Truman Hearings*, part 3, p. 753.

[44] 77th Congress, 1st Session, House of Representatives, *Interim Report* No. 982, *Interim Report on Strategic and Critical Materials, Pursuant to H. Res. 162*, July 21, 1941, p. 7.

[45] *Truman Hearings*, part 3, p. 754.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

18, 1941. The hot rolling mill began operations less than two months later. The integrated plant is located on a square mile of northern Alabama cotton land, in the Muscle Shoals area of the TVA. It is near a source of reliable power and has access to water and rail transportation. Starting with high-grade bauxite from the Dutch East Indies, the plant later resorted to Caribbean, Brazilian and Guiana deposits and to domestic ores.[46]

Reynolds unsuccessfully tried to get a share in the DPC-financed capacity. Lacking further assets to mortgage, he asked that his company be permitted to lease government-owned aluminum plants. After the war, the government could keep them as stand-by plants, dismantle them, or permit Reynolds to buy them—in short, any compromise was favored that would take the burden of capital-raising off Reynolds' hands. He said he was willing to sell his aluminum plants to the government, shrink back into the fabricating business, and buy ingot from plants owned and operated by the government after the war. As the war progressed, however, public statements of company officials became quite definite about remaining permanently in the ingot business.

Making the Contracts

The Truman Committee hearings in May 1941 needled OPM into action by revealing an imminent shortage of aluminum of over 600,000,000 pounds a year, despite drastic priorities and after taking into account all planned production. The response was slow, for it was not until July 15, 1941 that OPM began to designate the companies which were to produce the aluminum, although the Truman Committee had requested, in April 1941, the facts on the extent of the shortage and the steps taken to overcome it. Nor did OPM spread the favors of new contracts broadly: Olin, Bohn, and Union Carbide were not invited to confer with DPC until September 1941, and only Olin emerged with a contract.

When Alcoa sat down to negotiate with DPC, the firm was in a strategic bargaining position and knew it. Toward the

[46] H. C. Parmelee, "Aluminum—From Bauxite to Rolled Metal", *Engineering and Mining Journal*, vol. 144, No. 9, September 1943, pp. 52-53.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

end of June 1941, Alcoa had ordered $4,000,000 of electrical and other equipment, apparently on the assumption that it would eventually be awarded a contract.[47]

OPM, which had never made any specific proposals to Alcoa, had nevertheless granted Alcoa a certificate requiring DPC to allot $50,000,000 to Alcoa at once. Furthermore, Alcoa was requested to draft a contract, as a basis for discussion, governing the terms of lease of DPC alumina plants to Alcoa. While the final version of this contract (signed August 19, 1941) was superior to the first draft, it still "contained few if any safeguards to the Government and was entirely too favorable to Alcoa." Many important subjects were left entirely to future negotiations by the parties, and Alcoa's concurrence was required in every proposal, although the government bore the entire expense. The August contract provided for an alumina plant in Camden, Arkansas, with 400,000,000 pounds capacity, and three aluminum plants in Massena, Arkansas, and Washington or Oregon, with a total planned capacity of 340,000,000 pounds.[48]

Severe criticism by the Truman Committee, roundly seconded by Secretary Ickes, caused modification of the original agreement through a supplemental agreement dated December 12, 1941, which not only eliminated many objectionable features but also provided for larger alumina and aluminum capacity. The DPC *alone* now gained power to determine the price at which it furnished bauxite to the leased alumina plant. (For Alcoa's protection against a discriminatory price, the bauxite so furnished was not to cost Alcoa more than the market price, or the price at which Alcoa supplied its own bauxite.) The DPC alone could now determine the rates and periods of alumina production, with the proviso that enough be produced to supply the leased smelters (run by Alcoa).

The DPC unilaterally could determine the price at which alumina was sold to the leased smelters or to others, and could

[47] If Alcoa did not get the expected contract, the order stipulated that the equipment would go to the firms that did. 77th Congress, 2nd Session, *Additional Report of the Special Committee Investigating the National Defense Program, Pursuant to S. Res. 71*, January 15, 1942, *Sen. Rep.* No. 480, part 5, p. 16.

[48] *Truman Hearings*, part 7, p. 2284.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fix the price of aluminum within the limit of what the DPC considered "a reasonable profit". Without consulting Alcoa, the DPC could allocate alumina among all smelters and was empowered to fix the rate of operation in all plants leased to Alcoa. Thus it could prevent Alcoa from slowing or suspending operations to protect prices of production in Alcoa's owned plants. Also it could make Alcoa provide an alumina supply to such independent smelters as were able to storm OPM.[49]

Both the August and December contracts allowed Alcoa to retain 15 per cent of the net profits in DPC plants, as its management fee. In addition, the August contract gave Alcoa liberal allowances for overhead, which were made less generous by the December amendment.[50] In the interim between the two contracts, Alcoa agreed to reduce its ingot price from 17 cents to 15 cents, effective September 30, 1941. This step may have been designed to appease the critical Truman Committee and to strengthen the hand of Alcoa in securing the bulk of DPC contracts.

What Price Aluminum?

Meanwhile, Jesse Jones, Secretary of Commerce and head of the Metals Reserve Company, was completing arrangements to purchase 340,000 metric tons of aluminum from the Aluminum Company of Canada (Alcan), under terms which put the United States government in the position of financing the Shipshaw power development. The Alcan contract called for a price of 17 cents with an escalator clause if freight rates and labor costs should increase, while Alcoa, Alcan's southern twin (controlled by the same group of stockholders), was soothing public sentiment with a 2 cent price cut. The escalator addition was estimated by the Special Committee on War Expenditures, reporting to the Canadian House of Commons, as 3.51 cents in 1942 and 5.75 cents in the first half of 1943.[51] The liberal Alcan contract compensated for the effect of the Alcoa price

[49] S. *Rep.* No. 480, part 5, p. 17.

[50] The August contract permitted Alcoa to allocate to the cost of production in the leased plants some items not directly chargeable thereto. Changes in the December version, it was estimated, would save the government almost $2,000,000. *Ibid.*

[51] Estabrook & Co., *Aluminum Limited* (New York, 1944), p. 17.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

reduction on the profits of Alcoa-Alcan stockholders. The details of the Alcan contract were not made public by Secretary Jones until the affair was mentioned in the Canadian House of Commons in the spring of 1943. But Jones, while making the far-reaching commitments to Alcan, told the Truman Committee that he would lend DPC funds to Reynolds and Olin to build up competitors to Alcoa. He said he would channel to Alcoa only half of the total planned aluminum capacity of 1,500,000,000 pounds.[52] Finally, of course, it was revealed that Bohn and Union Carbide had not been able to negotiate DPC contracts, and their planned production in Spokane and Los Angeles was taken over by Alcoa. Only the DPC plant in Tacoma, with a planned capacity of 30,000,000 pounds, run by Olin, was left of the proposals, endorsed in public by Jones, to bring in new producers and build up competition.

As the aroused Truman Committee was pointing out, there was no real justification for an ingot price as high as 17 cents; for, instead of bearing the cost of power facilities to feed the multiplying pot lines (at the rate of 10 kilowatt-hours per pound of aluminum), Alcoa was able to buy 70 per cent or more of the power it used from the United States government, at modest prices of 2½ to 3½ mills per kilowatt-hour.[53] As the investment in reduction facilities was 15 to 20 cents for every pound of production capacity, and in power facilities, 25 to 30 cents, the assumption of the latter cost by the government considerably lightened the capital advance to be compensated out of profits. Special five-year amortization of privately built reduction plants provided substantial deductions from taxable earnings. Alcoa abandoned the program of building with its own funds three plants at Alcoa, Tennessee, Massena, New York, and Vancouver, Washington (which would have been profitable in view of the guaranteed government demand and the tax allowances) when it learned in May 1940 that DPC funds would be available.[54]

In recent years Alcoa's only new hydroelectric developments were those at the Glenville and Nantahala projects (yielding

[52] *Truman Hearings*, part 7, p. 2250.

[53] *Ibid.*, part 3, p. 741.

[54] *Ibid.*, part 8, p. 2659.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

60,000 kw.) which Alcoa began to plan in 1939; for the Federal Power Commission had ruled that these projects did not require a federal license providing for eventual recapture. When Alcoa's Fontana project, second only to Norris Dam in storage space in the basin of the Tennessee River, was declared subject to such a license, Alcoa withdrew its plans and application and sat tight. As the United States government had no means of forcing private investment in this important project, the TVA finally bought the site from Alcoa and expanded its supply of TVA energy to Alcoa's plants. G. R. Gibbons, Alcoa Vice-President, told the Truman Committee that Alcoa thought it "much smarter" to use TVA power than to develop Fontana on FPC terms. The shortage of primary power (secondary power being available only 70 to 75 per cent of the time) was acute enough to require rationing of power and curtailing of civilian uses in a large part of the Southeast.[55]

The TVA-Fontana arrangement, while less favorable to Alcoa than the latter's proposal to develop the site on government funds, retaining title, was by no means without advantages to Alcoa, for the company had become thoroughly acclimated to absorbing large portions of the total power output of TVA, Bonneville, and other government projects. For instance, Alcoa used over half the installed capacity of Bonneville in 1941. The low cost of government-subsidized power made available to Alcoa contrasted favorably with the high costs and risks of private capital development which might bring no return in idle years.

Choosing Post-War Policy

Once wartime expansion of capacity has taken place, once the precedent for production on an enlarged scale has been established, it is then possible (although not certain by any means) that production on the same quantitative basis will continue in peacetime. Decisive in determining the outcome are: (1) the over-all policy which the community adopts with reference to the level of production and employment, and (2)

[55] *Ibid.*, part 3, pp. 803, 938. The aluminum industry in 1936 consumed enough energy in the electric cells which turn out the metal to fill the needs of 3,000,000 residential customers. Federal Power Commission, *18th Annual Report*, 1937-38, p. 27.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the specific policy integrating the particular industry into the projected general policy. Discussion of general policy is of necessity excluded by the defined scope of this study. The following factors influence the specific policy: (1) what firms or agencies own and operate the war plants, and their relative influence in Washington; (2) how war plants are located and designed, factors which affect operating costs and determine whether plants would become submarginal at lower price levels; and (3) the terms on which government plant is made available for post-war use.

From the circumstances already described, which led to the concentration of production in Alcoa's hands and to the exclusion of independent producers, despite the efforts of such stalwarts as Secretary Ickes, it can be seen that defenders of old-style monopoly practice would find some strong support in Washington. Such practice would imply great cutbacks of production to as near pre-war levels as possible, distributing a limited amount of aluminum at protected monopoly prices in the face of a pent-up civilian demand (which, although large, would be deemed inelastic and purely temporary). On the other hand, the ownership by the government of plant capacity of over a billion pounds of aluminum would combine with the pressure of the public for more and cheap aluminum, and with labor's demand for continued full employment in the industry, to prevent large cutbacks and to shift aluminum not needed for war to civilian uses.

As was indicated above, in December 1943, 96 per cent of the alumina produced came from the four plants owned or operated by Alcoa, at East St. Louis, Mobile, Baton Rouge, and Hurricane Creek, Arkansas. The remaining 4 per cent was produced by Reynolds at Lister Hill. Of the aluminum production in sixteen electrolytic reduction plants, 93 per cent was turned out by Alcoa as owner or manager, with about 50 per cent actually coming from Alcoa-owned plants. Together Olin and Reynolds made up the remaining 7 per cent.

Unfortunately, the geographic distribution of the new capacity was uneconomic. The Maspeth, Long Island, plant, the largest single reduction plant in the United States, is one of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the least suitable for post-war operation. It is located in a high-cost power area, relying on steam from coal (supplied by the Consolidated Edison Company), with a minimum power cost of six mills per kilowatt hour. Maspeth is 1,000 miles from the closest alumina source. (The Maspeth plant was taken over by the Navy for ordnance production in December 1944.) According to an unofficial description, the Troutdale, Oregon, plant is in the flats where it can be flooded; boats cannot turn around and wharves are poor. The Massena plant, located on Alcoa's railroad route and no other, and removed from the main highways, is a poor choice for any outsider. Such facts suggest deliberate planning to prevent post-war sale of these facilities to anyone but Alcoa. None of the new Alcoa-run plants use the Soderberg process, although, significantly, the Reynolds and Olin plants do. Economies which Alcoa can forego in a government-guaranteed market (particularly if it intends to keep war-built plants idle in peacetime) might be of value to an independent looking toward peacetime competition with the monopoly.

By the fall of 1943 the conflict between the policies of cutback or of shifting aluminum production to civilian uses was becoming fully apparent. Arthur Bunker, speaking for the WPB, announced that, with aluminum production in November 1943 seven times as great as four years earlier, there was a surplus of 97,000,000 pounds of available supplies over allotments for the last quarter of 1943. Despite persistent bottlenecks, and planned capacity extensions in certain finishing processes (for example, forgings and extrusions), the nation had passed the peak of war needs. Bunker therefore invited producers of war materials and essential civilian goods to submit estimates of aluminum needs to supplant war substitutes. Manufacturers were asked to state the intended uses to which the aluminum would be put and the advantages offered by aluminum in their work (such as saving in weight or in the time of machining or fabrication).[56]

Less than two months after this auspicious beginning of a shift in the flow of aluminum to civilian channels, Bunker

[56] *New York Herald Tribune*, November 7, 1943.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

announced a reversal of policy. Four aluminum production lines in two DPC plants run by Alcoa were ordered closed (Burlington, New Jersey, and Maspeth, Long Island). This was seen as the beginning of a sweeping cutback. Alcoa began to cutback its owned-plant production, apparently with WPB approval, by curtailing output at Alcoa, Tennessee, Badin, and Massena, and by putting into effect a 50 per cent reduction in alumina output at Baton Rouge, and a 10 per cent reduction at East St. Louis. Bunker announced that DPC plants at Badin and Massena would close on January 30, 1944. The over-all reduction for the United States amounted to 14 per cent of production. Bunker attributed the cutback to the surplus of production over military needs, as the country had already built up a stockpile for the 1944 aircraft program and that program was being scaled down. He did not explain, however, why capacity was not diverted to civilian needs as he had announced in November. Specific cutbacks in Burlington and Maspeth were defended because of the drain of coal for electrical energy (15 pounds of coal for 1 pound of aluminum) and the long-haul transportation of alumina from the Mississippi Valley by rail. Ironically, less than six weeks before these cutbacks the Maspeth plant had been described as finally attaining capacity operations. (Construction of this $33,000,000 DPC plant had begun in February 1942 on Queens swamp land.) [57] Ironically, too, on the same day (December 24, 1943) that the WPB ordered shutdowns at Badin and Alcoa, Tennessee, it issued an order continuing restrictions on the use and delivery of aluminum paints and pigments.

On January 7, 1944, cutbacks amounting to 40 per cent of production were announced, covering fourteen units, for the next few weeks. Specific cutbacks followed in only three units. On June 14, 1944, the DPC alumina plant at Baton Rouge was reported to be in the process of decommissioning over a forty-day period. Run by an Alcoa subsidiary, Aluminum Ore Company, the plant was being reduced to a stand-by basis.

These steps augured ill for aluminum workers as well as for industries and consumers long deprived of aluminum. Finally,

[57] *New York Herald Tribune*, November 21, 1943.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on July 15, 1944, the WPB released aluminum for civilian use (but not where men, materials or facilities needed for war production would be employed in such use). Over fifty classes of items, including kitchen utensils, collapsible tubes, and other articles in which aluminum could replace metals used in the past and which manufacturers had been authorized to produce, were listed.[58] Manufacturers could ask WPB for permission to use aluminum beyond the limits of dollar volume or number of units fixed, and in uses not listed. This step represented a partial victory for the groups advocating a shift in the aluminum flow rather than the drying up of part of the flow. But cutbacks already put into effect were not generally reversed.

Other problems have been merely deferred. These include the disposal of wartime plants and the control of Alcoa's output and price policy. To ensure utilization of the greatest part of its wartime investment the government might: (1) sell or lease its plants to independents at favorable prices; (2) lease to Alcoa such plants as were integrated into its production system and not attractive to outsiders under terms requiring a minimum production and setting maximum prices; (3) operate its own plants as public enterprises, selling to aluminum fabricators who would welcome independence of the monopoly supply. Some of the least economical plants may have to be shut down or retained as emergency facilities, for example, Maspeth. But this need not imply shrinkage of production from 1943 levels, if the community wishes and plans otherwise; for economical production capacity can be quickly added, as the experience of Reynolds and DPC construction demonstrates.

CHARLOTTE MULLER

BARNARD COLLEGE

[58] *New York Times*, July 16, 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

THE ORIGINS OF MIDDLE WESTERN ISOLATIONISM

THROUGH the nineteenth century the Middle West shared with the rest of the United States a lively interest in the world-wide struggle against tyranny.[1] Its people, living in what they liked to think was the cradle of democracy and invigorated by the influence of the frontier, regarded themselves as the patrons of the liberal uprisings that periodically rocked Europe; and they reacted accordingly. The Greek Revolt of the 1820's, the French Revolutions of 1830 and 1848, the Hungarian struggle for independence in the late 1840's, all aroused the westerners to violent demonstrations of approval; fiery resolutions were adopted by mass meetings and legislatures, funds were collected to aid the revolutionists, and Congressmen were goaded into such violent speeches that they frequently embarrassed their neutral government.[2] Only a few of the more rabid midwesterners advocated American intervention in these European quarrels, but all paid enthusiastic lip service to each new blow struck at established authority.

In the first years of the twentieth century the western attitude shifted. The people of that section, above all others, insisted that Europe's fate was no concern of theirs; the United States,

[1] The Middle West today comprises the areas defined by the Census Bureau as the East North Central and West North Central States: Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska and Kansas. Missouri has remained predominantly southern in its social attitudes, but is included in the Middle West in this paper. See Howard W. Odum and Harry E. Moore, *American Regionalism* (New York, 1938), pp. 462 *et seq.*

[2] These activities are described in Myrtle A. Cline, *American Attitude toward the Greek War of Independence, 1821-1828* (Atlanta, 1930), pp. 62, 99-100; E. N. Curtis, "American Opinion of the Nineteenth Century French Revolutions", *American Historical Review*, XXIX (January 1924), 249-270; Arthur J. May, *Contemporary American Opinion of the Mid-Century Revolutions in Central Europe* (Philadelphia, 1927), pp. 49 *et seq.*; and in John W. Oliver, "Louis Kossuth's Appeal to the Middle West", *Mississippi Valley Historical Review*, XIV (March 1928), 481-495.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

they said, should seek peace and security by isolating itself from the rest of the globe. This about-face was partly due to the changed relationships between the Old and New Worlds; for the shrinking Atlantic had brought the Americans uncomfortably close to an imperialistic, war-bound continent, and meddling now might mean actual involvement. Yet more than this was needed to explain the shift in midwestern ideology, for national security was not the only issue. The eastern and southern "militarists" of 1916, "internationalists" of 1919, and "interventionists" of 1940 were not concerned alone with preserving American nationalism through collective action; they believed that the eradication of Kaiserism, power politics and fascism was necessary to rid the world of antidemocratic institutions and ideals. The middle western "isolationists", although just as devoted to democracy, thought the rest of the world beyond redemption. These same people who in the nineteenth century had vigorously upheld universal self-government were in the twentieth content to protect their own treasures on their own soil.

This attitude became apparent during the chain of events leading to the Spanish-American War. The West's first reaction to the Cuban struggle for independence was true to the section's humanitarian traditions; westerners viewed the conflict as one between autocracy and self-rule which deserved their unwavering support. These sentiments were freely voiced in a number of mass meetings held during the fall of 1895 in middle western cities, where resolutions were passed favoring the immediate recognition of Cuban independence, government aid to Cuba, and even the American seizure of the island.[3] Those whose enthusiasm was not satisfied by these outspoken demands collected funds to aid the revolutionists, a cause sponsored by the Chicago *Tribune* and imitated by other midwestern papers.[4] Others joined the filibustering expeditions which were regularly

[3] Chicago *Inter-Ocean*, October 1, 1895; Cincinnati *Tribune*, October 1, 1895; Marcus M. Wilkerson, *Public Opinion and the Spanish-American War* (Baton Rouge, 1932), pp. 56-60. At least eight of the twelve midwestern states participated in these meetings. Wilkerson, *op. cit.*, p. 57; Chicago *Tribune*, October 1, 1895; Cincinnati *Tribune*, October 8, 1895; *Congressional Record*, 54th Cong., 1st Sess., pp. 32, 140, 482, *ibid.*, 2nd Sess., p. 230.

[4] The campaign was started by the Chicago *Tribune*, April 14, 1896.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

launched against the Spanish rulers of Cuba. Chicago trade unions began contributing their men to this effort in the fall of 1895, and a year later a recruiting agent in Cincinnati reported that he had sent three hundred men from that city while a thousand had left from St. Louis and the entire Columbus, Ohio, contingent of the National Guard had offered its services.[5] No other section contributed so generously to the cause of Cuban independence.

Equally indicative of the region's humanitarianism was the attitude of its press, although here a significant division occurred which was of great importance in explaining the West's shift to isolationism. While editors stood in a solid phalanx to support the Cuban cause, their belligerency varied with their political beliefs. At first Republican editors were markedly more aggressive than their Democratic rivals. Most outspoken of all was the Chicago *Tribune*. As early as September 1895 it was saying: "Why do we wait longer? . . . Is it not time to say to Spain, 'Take your flag out of Cuba and give the people their liberty.'" A year later this paper urged the use of American battleships against the Spanish fleet and referred to war as something inevitable and desirable. By November 1896, the *Tribune* favored immediate recognition of Cuban independence, "and if Spain wants to go to war about it, the war will be a welcome one and she will get all the fighting she wants."[6] This violent pro-war attitude was matched by other Republican papers, nine of which favored the recognition of Cuban belligerency during 1895 and 1896, while seven advocated forceful annexation of the island.[7]

The election of McKinley in 1896 led to an immediate change of front. Although a few Republican papers, notably the Chi-

[5] Chicago *Inter-Ocean*, October 7, 1895; Cincinnati *Times-Star*, December 15, 1896; Wilkerson, *op. cit.*, pp. 59-60.

[6] Chicago *Tribune*, September 24, 1895, August 15, 1896, November 28, 1896. The quotations are from Wilkerson, *op. cit.*, pp. 47-50.

[7] This is the conclusion of a careful student after a thorough study of the midwestern press during this period. George W. Auxier, *The Cuban Question as Reflected in the Editorial Columns of Middle Western Newspapers (1895-1898)* (Ann Arbor, University Microfilm, 1941), p. 244. This excellent work has been relied on for most of the material concerning the western press at this time.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cago *Tribune*, continued to demand war, the majority adopted a less belligerent tone. At the same time the Democratic press, although sympathetic to Cuba in the past, now grew more bellicose. Thus the Cincinnati *Enquirer* saw "no reason why Cuba should not be part of the United States within the next thirty days", the Cleveland *Plain Dealer* urged the use of the navy to protect our interests on the island, and the Omaha *World-Herald* branded as criminal McKinley's "dilly-dallying" attitude.[8] These editors were willing to advocate intervention partly to embarrass the governing faction. Yet there was no doubt that the Middle West favored the war; six of the eight important independent papers there constantly advocated intervention, while even the business leaders showed less fear of war than industrialists in other sections.[9]

This pro-war sentiment was made clear to western Congressmen by a flood of petitions from legislatures, boards of trade, mass meetings and organizations. Of seventy-nine received by midwestern Senators, seventy-four favored the Cuban cause. Ten of these merely expressed sympathy, but twenty-eight demanded the recognition of Cuban belligerency, thirty-two asked the recognition of the island's independence, and three urged the United States to enter the war at once.[10] Little wonder that the section's Congressmen played a leading rôle in the war party at Washington. Of the twenty-four Senators from the Middle West, all but four voted or spoke consistently for intervention.[11] Some of the most warlike demands were voiced by westerners, who urged everything from "sending the most powerful battleship of the United States to Cuban waters", to "giving Cuba

[8] *Ibid.*, pp. 53, 57, 151-152, 233. Dr. Auxier examined more than a dozen Democratic papers and found the shift in policy clearly marked in all but two.

[9] *Ibid.*, p. 233; Julius W. Pratt, *Expansionists of 1898* (Baltimore, 1936), pp. 234-244.

[10] Compiled from petitions printed in the *Congressional Record* during this period.

[11] This figure has been arrived at by a study of the Senate speeches made during the first two sessions of the 55th Congress, and by an analysis of the vote on resolutions authorizing the recognition of Cuban belligerence, Cuban independence, and actual intervention. *Ibid.*, 55th Cong., 1st Sess., p. 1394, 2nd Sess., pp. 3993, 4040-4041, 4079-4090.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

what Lafayette gave to Washington at Valley Forge." [12] When the vote on war was taken, eighteen of these twenty-four Senators sided with the majority who favored military intervention. In the House of Representatives, where the war resolution was adopted by a vote of 173 to 121, only twenty-five westerners opposed the war.[13]

Western interest in expansion did not decline when the nation, with the war won, debated the disposition of the conquered Spanish territory. President McKinley sought an answer to this problem by sounding public opinion on a speaking tour through the Midwest. Wherever he went his oratorical question, "Who will haul down the flag?" in the Philippines, was answered with shouts of "It will stay there." "I know what this means", he told a cheering crowd at Terre Haute. "It means, my fellow citizens, that the people of the United States want the victories of the army and navy to be recognized in the treaty of peace." [14]

McKinley, in this judgment, failed to note two significant variations in the section's opinion. One followed economic lines, for, although the business interests solidly supported expansion, the workers and farmers were less sure that this was desirable. The farmer-labor point of view was expressed by the president of the Ohio Federation of Labor who argued that, as civilization could not be transplanted, low wages would continue in the Philippines and the United States be flooded with cheap tariff-free goods to the detriment of the American worker. Moreover, the $20,000,000 due Spain and the cost of developing colonial possessions promised higher taxes without immediate gain for the laborer or farmer.[15] Western business men, on the

[12] *Ibid.*, 1st Sess., pp. 1132, 1170.

[13] The war resolution passed the Senate by a vote of 67 to 21. *Ibid.*, 55th Cong., 2nd Sess., pp. 4063, 4079-4080.

[14] Columbus *Dispatch*, October 15 and 20, 1898. McKinley later declared that he based his decision to keep the Philippines partly on the enthusiastic response of western audiences to this suggestion. Quoted in Pratt, *op. cit.*, pp. 336-337.

[15] *United Mine Workers' Journal*, December 8, 1898; Ashland (Ohio) *Press*, November 9, 1898; Cleremont (Ohio) *Sun*, November 9, 1898; Harrison County (Ohio) *Democrat*, December 1, 1898; Chicago *Inter-Ocean*, quoted in *Literary Digest*, November 12, 1899. Western Congressmen received from farmers numerous petitions opposing expansion. *Congressional Record*, 55th Cong., 3rd Sess., pp. 1066-1067, 1157.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

other hand, caught a vision of vast Oriental markets for their goods lying beyond the Philippine gateway. They stood solidly in support of McKinley's imperialistic inclinations and urged the retention of every inch of territory taken from Spain.[16]

A second and more important division in middle western opinion followed political lines. In the debate over expansion Republicans were wholeheartedly in favor of colonial possessions, Democrats unalterably opposed. Only Republican domination of the West accounted for that section's imperialism.

This division was reflected in the editorial opinion which filled western newspapers between 1898 and 1902. Republican editors saw colonial possessions as the panacea for all the nation's ills; from them would stem eternal prosperity, the prestige fitting a great nation, and enlightenment for downtrodden natives of tyranny-ridden lands. They supported the Treaty of Paris with its provisions for annexation, and urged a vigorous war upon Aguinaldo and his rebellious followers.[17] The Democratic press, true to the section's established humanitarianism, saw expansion as a wicked conspiracy to steal possessions in the name of humanity, a sure prelude to participation in a world war, and the first step in the downfall of the Republic. Editors urged the defeat of the Treaty of Paris and looked upon Aguinaldo as a second Washington struggling for his people's liberty.[18]

These strict party lines influenced Congressmen more than did sectional attitudes. Democrats from the Middle West introduced resolutions against annexation, and heatedly declared that

[16] Pratt, *op. cit.*, pp. 246-278, describes the conversion of this group. See also Bellaire (Ohio) *Herald*, August 11, 1898; Canton (Ohio) *Repository*, December 1, 1898; Cleremont (Ohio) *Sun*, November 30, 1898; Columbus *Dispatch*, January 23, 1899.

[17] Columbus *Dispatch*, October 3 and 5, December 14, 1898; Bellefontaine (Ohio) *Republican*, November 1, 1898; Ashland (Ohio) *Times*, November 2, 1898; Dayton *Daily Journal*, February 7, 1899; *Literary Digest*, November 18, 1898, February 4, 1899.

[18] Bellaire (Ohio) *Herald*, July 28, 1898, August 25, 1898; Caldwell (Ohio) *Press*, November 10, 1898, December 8 and 22, 1898; Ashland (Ohio) *Press*, December 7, 1898; Cleveland *Plain Dealer*, January 5, 1899; Delaware (Ohio) *Democratic Herald*, January 5, 1899; Coshocton (Ohio) *Democrat*, January 9, 1899; Hocking (Ohio) *Sentinel*, October 19, 1899; Milwaukee *Journal*, Chicago *Chronicle* and St. Louis *Republic*, quoted in *Literary Digest*, October 28, 1899.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

we should forsake McKinley imperialism and return to the principles of our Revolutionary forefathers who had fought to make a subject people free.[19] Their pleas went unheeded. Republicans controlled the Middle West and assured that section's support of expansion. When the final vote on the Philippine act was taken, sixty-four midwestern Representatives favored American control of the islands and only twenty-three were opposed; in the Senate the vote stood nineteen in favor and three against.[20] The Middle West remained true to expansionism, but now its loyalties to the Republican Party transcended any idealistic beliefs.

Behind this shift in opinion, which was to hold the key to later western isolationism, lay both changing economic and social conditions in the West and the turbulent domestic situation of the 1890's. The latter was particularly important, for the ramifications of the free-silver crusade split the Middle West into two antagonistic camps and prepared both to adopt an insular attitude toward their nation's foreign policy. One of these groups was composed of the industrial-urban element which by 1900 was on the verge of wresting economic supremacy from the traditional agrarian rulers of the West. The other was made up of the farmers and workers who had seized on free silver as a panacea for the depression in which they had been bogged for a quarter-century.

The rabid enthusiasm of these agrarians profoundly shocked the members of the first group, the western business men and city dwellers. Bryan, to them, was the archetype of all that was bad; his path led to inflation, destruction of private property, and anarchy. McKinley, by contrast, was looked upon as the custodian of all that was good; a vote for him in 1896 or 1900 was not only a vote for sound business but also for civilization. The frantic efforts of these conservatives prevented Bryan from carrying the Middle West in either election, but the danger was too great to be forgotten. Any division within the party's ranks might open the door to Bryan and chaos; blind adherence to Re-

[19] *Congressional Record*, 55th Cong., 3rd Sess., pp. 93, 1261, 1265, 1486, 1678.

[20] *Ibid.*, 57th Cong., 1st Sess., pp. 6231, 7487.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

publicanism on every issue would alone assure salvation. Hence when McKinley embraced the imperialistic cause, he swung a majority of midwestern Republicans with him. From that time on they shaped their views on foreign policy to that of their party's leaders. Any Democratic president who favored interventionism was certain to meet determined resistance from middle western Republicans.

The free-silver crusade also moved the powerful agrarian groups in the West along the path to isolationism. To them the defeat of inflation, which doomed them to a continuing struggle with poverty and debt, could be laid at the door of eastern and British capitalists. From this belief stemmed several prejudices which became entrenched in western thought. One was a dislike for England. Another was an intensified sectional antagonism which inclined farmers there to look with disfavor on anything sanctioned by easterners. Thus, if the East favored intervention in world affairs, they would automatically swing in the opposite direction. The third and most important prejudice was directed against eastern bankers and industrialists. This "money power" had been hated by the frontier since the days of Andrew Jackson, and now these hatreds seemed confirmed. Its wealth not only had defeated inflation but had engineered imperialism, after the Spanish-American War, for its own selfish ends. These antagonisms were strengthened by the violent antitrust agitation of the Progressive era, and by the unfolding Caribbean policy which seemed to increase the poor man's taxes for the benefit of a few wealthy corporations. Thousands of westerners came to believe that intervention was only another tool of the trusts in their battle against the people.

The rapidly maturing industrial society of the Middle West also accounted for the section's changing opinion. Between 1880 and the turn of the century its manufactures increased threefold, until by 1900 the output of its 182,467 factories was valued at nearly four and a half billion dollars. Its agricultural products in the same year were worth nearly two and a half billion dollars.[21] This happy combination of farm and factory

[21] *Abstract of the Twelfth Census of the United States, 1900* (Washington, 1904), pp. 250, 331.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

created an economic self-sufficiency unrivaled by any other section. Its farmers were no longer dependent on foreign or eastern markets, and its manufacturers were less concerned with international trade, for they could sell most of their produce in the rural regions at their door. The West, enjoying the prosperity of rapid expansion as it developed into a self-contained economic unit, could close its eyes to the rest of the world as could no other section.

As important as these material factors in explaining the growing isolationism of the Middle West was the rise to political power of the section's immigrant population. For half a century its fertile lands had lured Europe's refugees until by 1900 more than half the male voters of every western state but Ohio, Kansas and Indiana were either foreign born or the children of parents born abroad; in Wisconsin, Minnesota and North Dakota they numbered almost eighty per cent of the population, in South Dakota nearly seventy per cent, and in Michigan and Illinois sixty per cent. The nationality of these immigrants helped shape their attitude toward world affairs. Of the four million foreign born living in the section at the turn of the century, half came from Germany or neighboring states in Central Europe, while another six hundred thousand were from the Scandinavian countries.[22]

The great mass of these first and second generation Americans favored isolation. Many retained a half-hearted loyalty to their Central European homelands; for, although they were but lightly touched by the upper-class nationalism of that day, they still disapproved of American entry into wars directed against the Central Powers. Others feared that participation in world politics would reawaken Old World hatreds and retard the process of Americanization which was bringing them peace and prosperity. Still more, particularly among the foreign born, made the maintenance of their adopted country's democracy without essential change their principal political objective; and they shied with inherent conservatism from any deviation from the established courses. Finally, the second and third generations

[22] *Twelfth Census of the United States, Statistical Atlas* (Washington, 1903), Plate No. 46; *Abstract of the Twelfth Census*, pp. 58-63.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of newcomers developed an exaggerated Americanism as they hurried to slough off all Old World taints, and this too inclined them to look askance at entanglements which would revive influences they were anxious to leave behind. In general the immigrants were thoroughly conservative, particularly in the upper Mississippi Valley, and this fitted well with the pattern of isolationism.[23]

Less important than these economic and racial factors, but still of some influence, were the large number of evangelical religious sects that were rooted in the Middle West. Many of these were avowedly pacifistic; others were European in origin and spread their cynical Old World doctrines among their worshipers. Thus, many of the Lutheran pastors were immigrants who brought to the United States both a hatred of war and a belief that Europe's conflicts were imperialistic struggles engineered by a few greedy capitalists.[24] Listening to these messages from the pulpit, the Scandinavians and Americans who followed this faith were influenced against any participation in the quarrels of the Continent.

These prejudices of alarmed business men, discontented farmers, immigrant voters, and pacifistic churchgoers were openly expressed between 1914 and 1917 when the nation debated its rôle in the first World War. The West's first reaction was one of thankfulness for its geographic isolation from a war that was considered "wicked, unnecessary and altogether horrible", and a fervent prayer of thanks that "we have gone no farther than we have in becoming a world power." [25] This complacency was easily translated into an indifference which was typified by the reply of a small-town policeman when asked, shortly after the *Sussex* sinking, what the people were saying about Germany:

[23] Marcus L. Hansen, *The Immigrant in American History* (Cambridge, 1940), pp. 77-96.

[24] George M. Stephenson, "The Attitude of Swedish Americans towards the World War", Mississippi Valley Historical Association, *Proceedings*, X (July 1920), 79-94; *idem*, *The Religious Aspects of Swedish Immigration* (Minneapolis, 1932), pp. 451-452.

[25] Dayton *Daily News*, August 8, 1914; Springfield (Ohio) *Daily News*, July 31, 1914.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Germany? Well, lessee. I reck'lect I *did* hear some of 'em talking some about Germany along five or six months ago, maybe, but I don't think there's been no talk about Germans for a good while lately. No sir, not around *our* community." [26] That this attitude was common was shown by a poll of newspaper editors in the fall of 1914. In the Middle West 122 were either indifferent to the outcome of the war or pro-German, while only 13 favored the Allies. This contrasted with the East, where 44 were neutral or pro-German and 34 pro-Ally, and the South with 56 neutral and pro-German editors against 47 supporting the Allies.[27]

During the next two years this sectional attitude was clearly demonstrated in each issue that arose. Western opinion most violently opposed any increase in the army and navy, taking refuge in the belief that "preparedness brought on the war", and insisting that "our splendid isolation" made defense unnecessary.[28] This opposition was centered in the states west of the Mississippi where Populism had attracted most support [29] and was motivated partially by hatred of the eastern money trust. One Nebraska editor summed up the sentiment of his state when he charged the "preparedness-propagandists" with being in "the pay of the munitions-factory magnates and steel trust", and another insisted: "The terror which has seized Maxim and the manufacturers of war materials is not felt by the people of this section. There is no fear of invasion here." [30]

[26] Booth Tarkington, "Middle Western Apathy", *American Magazine*, LXXXIII (June 1917), 31-32. See also Cedric Cummins, "Indiana Looks at the War", *Indiana Magazine of History*, XXXVII (December 1941), 343.

[27] *Literary Digest*, November 14, 1914.

[28] *Ohio State Journal*, November 21, 1914, February 3, 1915.

[29] This was revealed by a poll of newspaper editors published in the *Literary Digest*, March 11, 1916, which showed that sixty-six living west of the Mississippi saw militarism as a real danger while sixty-four did not. This was in marked contrast with other sections, such as the East where eleven feared militarism while eighty-five did not, or the middle western states east of the Mississippi whose editors voted twenty-three to sixty that such dangers were remote. This was also made clear by a large number of western petitions to Congress against increasing the size of the army and navy. *Congressional Record*, 64th Cong., 1st Sess., pp. 935, 1185, 1733, 2251, 2491.

[30] *Literary Digest*, March 11, 1916.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This sentiment helped shape western opinion on the sale of military supplies to the warring Powers. Petitions favoring an arms embargo were showered on Congress from the beginning of the war, many of them from middle western communities with large German populations. "Better to have an embargo covering the entire coast," one editor wrote, "than to get into the war." [31] Senator Kenyon of Iowa expressed the views of many of his constituents when, in presenting Congress with an embargo petition bearing a million signatures, he declared: "The jingle of the dollar can not drown the cry of suffering from the battle fields of Europe. It may be all right to sell these things according to international law, but it is against the moral law." [32]

The western press did not react as violently to the German submarine campaign as did the editors of other sections. The only two papers to defend the sinking of the *Lusitania* were the Milwaukee *Free Press* and the St. Louis *Times*, both located in areas with a large German population. Others, unwilling to go this far, insisted that Americans should hold themselves aloof by refraining from travel on belligerent ships, and that U-boats had as much right in American waters as British warships.[33] When Congress in 1916 acted on a resolution forbidding citizens to travel in vessels of warring Powers, twelve of the fourteen favorable Senate votes came from middle westerners, while that section's Representatives alone cast a majority of votes in its favor.[34] Probably a Kansas farmer mirrored the views of many of his fellows when he told an interviewer:

> We will—every man of us—fight in a minute if the country is invaded, but we wont go a step farther. We'd keep every American off belligerent ships. We'd keep every American out of Mexico. We'd let the Japs take the Philippines and be damned, if they wanted 'em. We'd defend our homes, but when

[31] *Ohio State Journal*, February 7, 1915.

[32] *Literary Digest*, February 12, 1916.

[33] *Ibid.*, May 22, 1915. An excellent summary of western attitude concerning the submarine question is in H. J. Haskell, "The U-53 and the Middle West", *Outlook*, October 1916, pp. 414-415.

[34] In the House the delegations from Iowa, Nebraska, Minnesota and Wisconsin were unanimous in their approval. *Congressional Record*, 64th Cong., 1st Sess., p. 3720.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> any American goes where he has no right to go, if he gets into trouble, it's his own fault. The honor of the country doesn't get outside our boundaries that we can see.[35]

By the spring of 1917 the Middle West was no longer isolationist, for the opening of unrestricted submarine warfare and the Zimmerman Note solidified national opinion in favor of war. Yet in that section, as in no other, there remained a group of die-hards who resisted the popular clamor. When President Wilson asked Congress for authority to arm merchant vessels the resulting measure was talked to death by twelve Senators, eight of whom were from the West. Three of the five votes cast against the declaration of war in the Senate, and thirty-six of the fifty in the House, were from representatives of that section.[36] Hatred of the eastern money power, a large German population, and distrust of a Democratic president combined to center isolationism in the upper Mississippi Valley.

The important rôle of partisan politics in this attitude was again demonstrated when peace brought the League of Nations before the American public. The West's first reaction to Wilson's proposal was mildly favorable; even the Chicago *Tribune* admitted that "the scheme is not one which need be feared", and the equally isolationist Cincinnati *Times-Star* grudgingly conceded that the League "held promise to at least make wars less frequent." [37] A poll of newspaper editors in the spring of 1919 showed that 250 of the section's papers were favorable, 200 conditionally favorable, and only 70 absolutely opposed.[38] Yet only four months later these western editors were vying in heaping calumny on the League, and western Senators were preparing to cast a virtually solid vote against it. This abrupt change of front was caused by the decision of Henry Cabot Lodge and his Republican followers to fight the League as a means of discrediting Wilson and the Democrats.

[35] *Literary Digest*, February 12, 1916.

[36] *Congressional Record*, 65th Cong., 1st Sess., pp. 412-413.

[37] Chicago *Tribune*, February 17, 1919; Cincinnati *Times-Star*, April 29, 1919. See also *Literary Digest*, April 5, 1919.

[38] *Literary Digest*, April 5, 1919.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The predominantly Republican West fell readily into line with this partisan campaign to obscure the Covenant by amendments and reservations, while delaying the final decision until popular interest waned. For two months the treaty languished in the hands of the Senate Foreign Relations Committee while its friends pleaded with Wilson to accept reservations and the President retaliated by carrying the case to the people. When debate began, the cause was already lost, but Republican obstructionists were still cautious. Their attack, mild at first, mounted in intensity as passing months lessened League support. By mid-September even such a vacillating politician as Warren G. Harding felt sure enough of his constituents' isolationism to take a firm anti-League stand, while other western Senators were warning that internationalism meant rule by the dark-skinned peoples of the world, or by the Pope.[39] By this time, too, many moderate Republicans saw that Wilson would not compromise and reluctantly swung to complete opposition.

This increased bitterness in the Senate was reflected in the middle western press. As the summer progressed editors who had first favored the League turned gradually from cautious support to bitter attack. Some of the more outspoken, such as the Chicago *Tribune,* kept up a constant barrage of editorial invective and flagrant misrepresentation; others reflected a growing popular antipathy by refusing to print details of the wearisome Senate debate. Senator Lodge sensed this slump in public morale and in November agreed to a roll call on the fifteen reservations. In rapid succession they were taken up and passed, with the vote following rigid party lines.[40] With these reservations added, the treaty came before the Senate for final decision. Thirty-five Republicans and four Democrats recorded themselves as in favor, while forty-two Democrats and thirteen irreconcilable Republicans combined their votes to defeat the measure. Five of the thirteen irreconcilable votes were cast by midwestern Senators.

[39] *Congressional Record,* 66th Cong., 1st Sess., pp. 235-237, 1436, 4453-4455, 5219-5225.

[40] Only one western Republican, Senator Porter McCumber of North Dakota, voted against two of the reservations; only Senator James Reed of Missouri deserted his Democratic colleagues to vote for them.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A call for unconditional ratification of the treaty without reservations resulted in thirty-eight votes in favor and fifty-three opposed. Only one middle western Republican favored the League in this form, only one Democrat was opposed.[41] Partisan politics, centered in the Republican Middle West, had struck a death blow at Wilson's idealistic internationalism.

The President, however, was unwilling to admit defeat. In January 1920 he referred to the coming election as a "great and solemn referendum" on the League of Nations and appealed to the people to repudiate Republican opposition at the polls. This challenge the Republicans refused to accept openly but their candidate, Warren G. Harding, was known for his anti-League stand, and most people understood that a vote for him was a vote against internationalism. The result was decisive. Harding was carried into office by a landslide vote that was particularly pronounced in the Middle West. Republican Senators from that section now outnumbered their Democratic rivals by 21 to 3, while the Democrats could salvage only 5 seats in the House to 138 for their rivals. Domestic issues were more important than foreign in this one-sided victory, but most of Harding's Middle West applauded when he declared in his victory speech: "You just didn't want a surrender of the United States of America; you wanted America to go under American ideals. That's why you didn't care for the League, which is now deceased."[42]

With this pronouncement friends of internationalism turned to the Permanent Court of International Justice in their attempt to salvage at least something from Wilson's peace program. In theory, at least, adherence to the World Court was not a partisan issue, for both Harding and Coolidge were favorable, so long as they could attach reservations divorcing the Court from any League connections. Thus safeguarded, the protocols were presented to the Senate in March 1924. A few midwestern papers, headed by the Chicago *Tribune* and the Kansas City *Star*, leaped to the attack with all the avidity that had marked their cam-

[41] *Congressional Record*, 66th Cong., 1st Sess., pp. 8767, 8803. McCumber voted for the League without reservations; Reed was opposed.

[42] New York *Times*, November 5, 1920.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

paign against the League,[43] but the more usual reaction was one of indifference or ignorance. Most papers ignored the important Senate debate in both their news and editorial columns, for the average western editor shared with the average western citizen the belief that such impracticable matters deserved little attention amid the booming prosperity of the 1920's. When the amended protocol was accepted by the Senate in January 1926 by a vote of seventy-six to seventeen, ten of the small opposition group were from the Middle West, a disproportionate number which indicated the continued isolationism of the section.[44]

When the reservations insisted on by the Senate proved unacceptable to the League Council, western editors shed no tears. "The reds, pinks and yellows may rave and try to change the situation," one declared, "but they will find . . . that the color combination loved by the citizenship of America is red, white and blue." [45] Statesmen, however, refused to give up hope of a formula that would be acceptable to both the League Assembly and the United States; they helped develop the Root Plan which was accepted by the League and submitted to the American government in 1929. Traditionally isolationist papers in the West looked upon this compromise with jaundiced eye, but President Hoover was sufficiently impressed to sound the state of public opinion on the thorny issue. A careful survey showed that sixty-six per cent of the people favored the World Court, while twenty-six per cent were opposed. Forty-one per cent of the opposition vote came from the Middle West—another indication of that section's isolationism. Yet two out of every three people favored adherence, and in December 1929 Hoover transmitted the protocols with the Root amendments to the Senate with a request for favorable action. They were referred to the Foreign Relations Committee where they remained until January 1935.

[43] Chicago *Tribune*, January 21, 23, 25, 27, 1926; Kansas City *Star*, April 29, 1925, January 9, 1926; Cincinnati *Enquirer*, January 2, 1926.

[44] In a proportional distribution these twelve states should have cast only five votes against the Court. *Congressional Record*, 69th Cong., 1st Sess., p. 2820.

[45] Cincinnati *Enquirer*, February 11, 1927. For similar comments see Chicago *Tribune*, February 11, 1927, and Kansas City *Star*, February 10, 1927.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

When at that time President Roosevelt urged their adoption a storm of protest arose from the Middle West. Congressmen and editorial writers hurled again the anti-Court barbs a decade old, and added others even more telling. Why, they asked, should the United States meddle in European affairs when so much economic reconstruction was needed at home? Why should the nation bother with a world drifting anew toward war when our reward for saving civilization in 1917 had been unpaid debts? Why should a depression-ridden country enmesh itself in the debased standards of the poverty-stricken Old World when millions of Americans were out of work? [46] As the time for a Senate vote neared, the isolationist fervor steadily mounted. Thousands listened to the Reverend Father Charles E. Coughlin, the rabble-rousing Michigan priest, whose pleas to radio listeners to wire their Congressmen swamped one Ohio newspaper with calls from persons asking the names of their Senators.[47]

The final vote showed fifty-two of the Senate in favor, thirty-six opposed. This was seven votes less than the necessary two-thirds, and the World Court was again, and finally, defeated. Thirteen of the thirty-six negative votes were cast by middle western Senators. Thus the resolution failed to secure even a majority vote from this section, while every other section was favorable by more than a two-thirds majority.[48] Partisan politics doubtless played some part in explaining the West's isolationism, for the Democratic origins of the Court and its endorsement by Roosevelt rankled some western Republicans. Ignorance and indifference, combined with post-war disillusion-

[46] A number of western editorials against the Court are in *Congressional Record*, 74th Cong., 1st Sess., pp. 686-687. The same point of view is expressed by a petition from the Wisconsin legislature in *ibid.*, pp. 1296-1297.

[47] Cleveland *Plain Dealer*, January 28, 1935.

[48] The sectional division was more important than the political. Twenty Democrats deserted the administration to vote with fourteen Republicans and two Independents against the Court; forty-four Democrats and eight Republicans voted for adherence. A bloc of four western states, North Dakota, South Dakota, Minnesota and Iowa, cast no votes in favor, while every other state in the section supplied at least one negative vote, excepting Michigan, Indiana and Missouri. *Congressional Record*, 74th Cong., 1st Sess., p. 1147.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ment and preoccupation with depression problems, were more important in shaping the opinion of the Middle West.

It was in this state of mind that westerners listened approvingly to the findings of the Nye Committee, solidly supported by the so-called neutrality legislation of the mid-1930's, and then smugly watched Europe drift toward war, certain that this struggle was no concern of theirs. Nor did the Munich settlement jar their complacency; for, while most agreed that war was now inevitable, they clung to the belief that the United States would surely remain aloof. A majority firmly opposed the attempted repeal of the arms embargo during the summer of 1939,[49] and applauded their congressional representatives who urged the people to "refrain from making the job of halting the drifting border sands of Europe a W. P. A. project for the relief of the unemployed millions of our American homes." [50] Only in this section, according to an Institute of Public Opinion poll in the fall of 1939, did a majority favor retention of the embargo on the shipment of arms abroad.[51]

Hitler's invasion of Poland and the outbreak of war did not materially change western opinion. When President Roosevelt called a special session of Congress to repeal the neutrality legislation he was opposed by a solid bloc of isolationist Congressmen from the Midwest. Some maintained that England and France were the aggressors and did not deserve aid; others that we would certainly be drawn into the war, or that repeal was favored only by munitions makers and international bankers "to sell guns to make a profit even if those guns bathe the earth in mothers' tears." [52] When the final vote was taken in No-

[49] Chicago *Tribune*, August 24 and 25, 1939.

[50] *Congressional Record*, 76th Cong., 1st Sess., Appendix, p. 3377. For other expressions of this sentiment by western Congressmen see *ibid.*, pp. 1144, 1573, 2025, 2687. Western petitions against repeal of the arms embargo are in *ibid.*, pp. 1144, 1573, 4516.

[51] Repeal was favored by fifty-one per cent of the people of the East, sixty per cent of the southerners, fifty-one per cent of the Pacific coast residents, and only forty-seven per cent of the westerners. *Public Opinion Quarterly*, IV (March 1940).

[52] *Congressional Record*, 76th Cong., 2nd Sess., p. 1306. For a convenient summary of isolationist argument during this debate see *New Republic*, May 18, 1942.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

vember 1939, the Middle West was the only section to cast a majority of its House votes against repeal. In only two western states, Illinois and Missouri, did a majority favor revision; in the four states of Wisconsin, Nebraska, North Dakota and South Dakota the entire delegation voted for retention. While a slim majority of midwestern Senators opposed the embargo, in no other section was the vote so close. The important rôle of partisan politics was indicated by the fact that only two of the West's thirty-five Representatives who voted for repeal were Republicans.[53]

The next months witnessed a rapid shift of American opinion as the fall of Norway, the Low Countries and France brought home the dangerous position of the United States. Some westerners concluded that this demonstration of Axis strength showed the futility of opposition and increased their demands for complete neutrality, but a larger number decided that American preservation depended on greater aid for the democracies and the increase of our own defenses.[54] Yet even now the West lagged significantly behind other sections. In June 1940 a poll of its people showed that, while fifty-seven per cent of them favored peacetime conscription, sixty-eight per cent of the rest of the nation thought this step necessary.[55] When this issue was presented to Congress in the Burke-Wadsworth Selective Service Act the middle westerners in both House and Senate cast a majority of their votes in opposition, while every other section was favorable. Michigan, Wisconsin, North Dakota and South Dakota gave the measure no support, and only one Representative each from Nebraska, Kansas, Iowa, Minnesota and Indiana voted in favor. Again the rôle played by partisan politics was

[53] Only nine Democrats deserted their party to join the solid Republican bloc for the embargo. In the House the eastern states voted 53 to 37 for revision, the southern 102 to 5, the Pacific states 23 to 9, and the middle western 35 to 73. In the Senate the East voted 12 to 6 for revision, the South 27 to 4, and the Middle West 13 to 11. *Congressional Record*, 76th Cong., 2nd Sess., pp. 1024, 1389.

[54] For a convenient summary of western editorial opinion on this subject see *What America Thinks* (Chicago, 1941).

[55] *Public Opinion Quarterly*, IV (September 1940).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

shown when only one midwestern Republican in the House and one in the Senate backed the administration bill.[56]

These sectional lines did not waver during the critical spring of 1941 when Congress debated the Lend-Lease Bill. Although national opinion was now almost solidly behind the President, a few die-hards fought to the bitter end. In the vanguard were a number of western Congressmen and the Chicago *Tribune*—which hailed the passage of the act in March 1941 with banner headlines proclaiming "Senate Passes Dictator Bill". "Sinister and suspicious demands for dictatorship powers", "the complete abdication of Congress", "a war bill, a dictatorship bill, a bankruptcy bill"—these were phrases used by midwesterners in their attack. Nor did the final vote show any change in sectional alignment. Again the West, alone among the sections, cast a majority of its votes against Lend-Lease in both House and Senate.[57] On this last important issue before the bombs that fell on Pearl Harbor substituted action for debate the Middle West remained true to its isolationist tradition.

From this survey certain conclusions seem obvious. The western swing to isolationism coincided with the free-silver excitement, which solidified political divisions and intensified sectional jealousies. From that date the Middle West viewed with suspicion the extension of American interests beyond the seas, partly because Democratic presidents were largely responsible and partly because interventionism was favored by eastern bankers and corporations. Important, too, in shaping that attitude were the large numbers of first and second generation Americans who

[56] The Middle West cast 84 votes against and 23 in favor. In the East conscription was favored by a vote of 70 to 21, in the South 103 to 3, and in the Far West 20 to 12. In the Senate the West voted against compulsory service 14 to 7, while the East was in favor 14 to 3 and the South 28 to 2. *Congressional Record*, 76th Cong., 3rd Sess., p. 11142.

[57] The debate is summarized in the *New Republic*, May 18, 1942. In the House the Middle West voted against Lend-Lease 94 to 41. The East favored the measure 71 to 40, the South 120 to 5, and the Far West 21 to 20. Middle western Senators voted 14 to 8 against the bill. In the East the vote was favorable by 11 to 6, in the South 29 to 1, and in the Far West 12 to 10. *Congressional Record*, 77th Cong., 1st Sess., pp. 2097, 2229.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lived in the upper Mississippi Valley: Germans who disliked to make war on the Fatherland and Scandinavians who brought from the Old World a strong tradition of isolationism. These national attitudes were bolstered by the religious concepts of the many evangelical sects which flourished in the West. Humanitarianism and missionary zeal enlisted their support for the Spanish-American War, but their pacifism inclined them against participation in the wars of Europe.

These prejudices and attitudes, bolstered by the sense of security which stemmed from the section's geographic position and economic self-sufficiency, help to explain middle western isolationism. More conservative than the rest of the nation, the West clung to nineteenth-century traditions after other regions had recognized the inevitability of a New World rôle for the twentieth-century United States.

Ray Allen Billington

Northwestern University

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

STEPS TOWARD ELECTORAL REFORM IN GREAT BRITAIN

WHILE fighting aggressively for democracy abroad, Great Britain has recently moved toward further democratization of the electoral process at home. The passage of the new Parliament registration bill in the fall of 1943 makes way for a system of continuous registration so that the vote of the shifting population will be reflected in the next election,[1] and an amendment to it in July 1944 makes this possible also for intermittent by-elections.[2] More important was the enactment in October 1944 of the House of Commons (Redistribution of Seats) Bill with its provision for periodic redistribution of seats by standing commissions.[3] Both continuous registration and periodic redistribution are long steps toward the goal, stated by the Home Secretary, " that each vote recorded shall as far as possible command an equal share of representation in the House of Commons."

The new registration law was based on the report of a Departmental Committee on Electoral Machinery (November 1942). This Committee also suggested the use of boundary commissions as provided in the redistribution law to carry out that process. However, the statement of principles of redistribution derived from the recommendations of a Speaker's Conference on Electoral Reform and Redistribution (May 1944). Other notable suggestions on matters of electoral reform were made by this Conference. While they have not yet been incorporated into law, they point the way for future developments.

The enactment of what amounts to a Sixth Reform Bill, albeit piecemeal, and the studies which have led to it are the matters of real moment to be discussed here.

[1] 6 and 7 Geo. 6, c. 48.

[2] 7 and 8 Geo. 6, c. 24.

[3] H.C. Bill, c. 44, 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Committee on Electoral Machinery

Agitation for a revised register stemmed first from the desire to have by-elections conducted on an up-to-date list of electors, and second from the need to be prepared for the next and not too distant General Election.[4] Over one third of the present members of Parliament, which was originally elected in 1935, have been replaced by representatives chosen at by-elections. During the past five years these replacements have been elected by that dwindling proportion of the electorate which continued eligible to vote under registration compiled in 1939. That system of registration was keyed to a relatively static population and even if it had not been suspended the first year of the war, it would have inadequately reflected the present fluid state of the inhabitants. This very wartime fluidity naturally gave rise to greater, though by no means new, demands for redistribution of Parliamentary seats. The present arrangements date from 1917, making revision already long overdue before the population movements of wartime got under way.

A Departmental Committee on Electoral Machinery was established in January 1942 by the Home Secretary (Herbert Morrison) and the Secretary of State for Scotland (Thomas Johnston). Appointment of the sixteen-man committee was made to give fair representation to various groups: Parliament, suitable electoral registration officers, Home Office, Scottish Office, and the national agents of the various political parties. Sir Sylvanus P. Vivian, Registrar-General since 1921, brought great experience to the chairmanship since all forms of population statistics, including local populations and electorates, emanate from his office.

The Committee was directed to inquire into matters concerning electoral registration and the redistribution of seats. Meeting eighteen times throughout 1942, the Committee made its report in mid-November of that year.[5] In the words of the Home Secretary, "They presented the House and the country

[4] In November 1944, Prime Minister Churchill stated that the termination of the war against Nazidom will fix the date of the next General Election.

[5] Cmd. 6408, December 1942.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

with an admirable and valuable report." Part I put forward their recommendations for a system of continuous registration which would be responsive to a constant change of residence on the part of the electors.

In support of its position, the Committee pointed out that in the first month of the war (September 1939) two and one-quarter million people or five per cent of the total population left their homes in Great Britain. During the latter half of 1940, when aerial bombardment was at its height, the removals between different local administrative areas were more than six per cent per quarter, involving nearly three million changes in the last quarter of 1940, and in 1942 they continued at a level of over a million per quarter. After the war the majority of evacuated persons will return to their original homes or localities, unless delayed or prevented by housing shortage or difficulties in obtaining local employment. The rate of the counter-movement may be even greater than the exodus during the war period. Since it now appears that a General Election cannot be postponed until after stable conditions arrive, the registration system must be attuned to mobility.

In contrast to the existing periodic system which the Committee found could not be adapted to the holding of a General Election on relatively short notice, the continuous register could at any point of time represent the electorate qualified to vote. Whenever a General Election is announced, this register would be "frozen" and made available to candidates, their agents, and others concerned.

The register would be in three parts: civilian residence, armed forces and business premises. The civilian register would be constructed by the local Electoral Registration Officer from the records of National Registration which were created at the beginning of the war for purposes like food rationing.[6] The lists would be modified by arrivals, departures, deaths, and attainment of adult age, notices of which, having first been used for National Registration purposes, would then be passed on to the local electoral officer. It was proposed that civilian residence

[6] 2 and 3 Geo. 6, c. 91.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

qualifications be reduced to two months to be completed at any time of the year. A further protection to that part of the population in a condition of flux was the proposal that no elector could be removed from the register of one constituency without being previously entered on the register of another. It was recommended that the register of the armed forces (including merchant seaman and warworkers abroad) be compiled from declarations made by men in the forces and transmitted to the electoral officers of their home constituencies. Voting would be by proxy for those outside the country, but for those in the United Kingdom there would be choice of proxy, post, or personally if that were possible. The business register would be constructed from claims on the part of those entitled to be on it. This initial application would be good for a year; after that, application forms would be sent to electors already possessing the business premises qualification.

Registration Act

Parliament was insistent on hustling electoral revision along. Six months of prodding elapsed before the government introduced a bill based on that half of the Report dealing with registration. Prime Minister Churchill's broadcast bid for continuance of all-party government after the war to carry through a Four Years' Plan aiming at objectives on which party opinions might largely coincide may explain the reluctance of the government to introduce a bill to facilitate the holding of an early General Election. On at least seven occasions between that broadcast in March and early July 1943, when the bill was introduced, the government was questioned on its progress in studying the Report. Concern was manifest over the inadequacy of registers for by-elections and the actual disfranchisement, under the present system, of those who had reached the age of twenty-one since 1939 but were not able to register. Young people, it was maintained, "fighting and working to save the country" felt detached from a Parliament which they had no voice in selecting.

The Parliament (Elections and Meeting) Bill was finally brought up for passage in October 1943. When the more dis-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

contented wanted to debate the justice of the plural or business vote and lowering the age qualifications, Mr. Morrison explained that he was not seeking to alter the franchise, but was providing for an efficient and effective system of registration despite wartime difficulties.[7] Amended somewhat in its details, the bill was passed on November 5, 1943, in essentially the form proposed by the Committee in its Report as described above.[8] Although, as Mr. Morrison put it, "Most of us are agreed that it would not be particularly creditable if we were driven to a General Election during the war," this Act made it administratively practicable "if the House could not live with the Government or if the Government could not live with the House."

This law had not been put into operation by the middle of June 1944, and the Home Secretary when questioned explained that electoral registration officers were unable to cope with the work entailed in keeping up the civilian registers owing to wartime labor shortages in the local registration offices. At the same time he introduced an amendment to the original act. This new Parliamentary Electors (Wartime Registration) Act suspended the two months' residence provision and permitted a person to be on the civilian electoral register if he was listed on the national register as residing in the constituency on the qualifying date.[9] The qualifying date under this amendment was put back by a month to insure that newcomers to a constituency will have been resident for not less than a month before the date on which an election is initiated. While the business premises register was likewise simplified, that of the armed forces remained unchanged.[10] A further provision directed the Home Secretary to bring this temporary measure, intended for by-elections only, to an end as soon as sufficient staff and facilities are available for the satisfactory operation of the 1943 Act. In no case is it to

[7] 393 *H. C. Deb.* 5s (1943), p. 58.

[8] 6 and 7 Geo. 6, c. 48.

[9] 7 and 8 Geo. 6, c. 24.

[10] Dissatisfaction with the arrangements for registering service voters was voiced in the debates on this bill, and the Speaker's Conference in its last report urged the introduction of automatic registration. It further asked the government to consider arranging postal votes by service voters overseas.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

be in effect after December 31, 1945. A requirement more fundamental even than registration to a representative system is the determination of local areas as suitable constituencies.

Suggested Machinery for Redistribution

Part II of the Report of the Committee on Electoral Machinery dealt with the problem of redistribution of Parliamentary seats. Instead of this having been recognized as a normal and regular part of the Parliamentary system, experience shows that it has taken a positive upheaval in the past to secure any adjustment of constituencies. This is the more anomalous since, if the redistribution procedure of 1917-18 may serve as an example, it involves nothing beyond the scope of an ordinary administrative undertaking guided by statutory provisions.

The apportionment of the wartime Parliament presented a picture of great maldistribution. The Registrar-General prepared statistics of actual constituency electorates in 1939 and estimated them in 1941. Using the toleration limits of 30 per cent below the quota and 70 per cent above as suggested by the Speaker's Conference of 1917, the Committee found that in 1939, 119 constituency electorates in Great Britain had ceased to discharge, within acceptable margins of approximation, their function of returning "an equal share of representation." Of these, 87 were reduced to a point no longer justifying, according to those criteria, their present representation, while the remaining 32 had increased to such an extent that their representation should be doubled, or in some cases trebled or quadrupled. By 1941 the maldistribution was even more extreme when 164 constituency electorates no longer satisfied the standards; 128 reached that condition by diminution and 36 by increases. Specific examples of gross inequality are Hendon with nearly 210,000 voters returning only one member and Camberwell with about 160,000 voters returning four.

For the purpose of preparing concrete redistribution proposals, the Committee suggested an administrative body capable of functioning without the necessity for a Parliamentary initiative of rare and uncertain occurrence, and recommended, therefore, a statutory standing commission. The commission would

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

then be able to review the state of constituencies and propose redistribution, where necessary, during the normal life (five years) of every Parliament. It would be composed of representatives of the Home Office which has general functions in all electoral matters, the Ministry of Health which deals with changes in local government boundaries, together with the Registrar-General and the Director General of the Ordnance Survey Department. To insure the proper reception of its proposals by Parliament and yet guard against decisions on the basis of parties, the Speaker of the House of Commons ex officio was suggested for the chairmanship. The Committee felt that his great experience and authoritative non-party status would render him an ideal choice. The Report recommended the separate handling of the earlier stages of redistribution by separate boundary commissions for each part of the United Kingdom and then the groups sitting as one commission for the ultimate adoption of redistribution proposals for report to Parliament.

The government announced its intention of legislating on redistribution and its readiness to adopt the recommendations of the Departmental Committee but deferred action until the Speaker's Conference had reported on the principles by which the boundary commissioners are to be guided.

Speaker's Conference

Parliament, goaded by public opinion and the Committee on Electoral Machinery, demanded fundamental electoral reform. The Prime Minister was importuned to appoint a Parliamentary committee of inquiry into redistribution and such other electoral matters as age qualifications, reduction of election costs, further restrictions on campaign activities of outside agencies, variations in candidates' deposits, conveying voters to the polls, and, especially, methods of voting which would secure fairer representation of political opinion in the House. The government itself recognized during the debate on the registration bill that more positive steps were needed. Promise of time for debate on electoral reform was definitely made and this eventuated in two days of discussion in the House in early February 1944. Immediately thereafter the Speaker's Conference on Electoral Reform and Redistribution of Seats was set to work.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In addition to its presiding officer, the Speaker, the Conference consisted of 32 members of whom 29 were commoners and 3 were peers. The combined party representation was as follows: Conservatives, 17; Labor, 9; Liberal, 2; and one each from the National Liberal, Independent, Independent Labor and Independent Labor Party. In addition, the membership was supposed to reflect various shades of opinion, different types of constituency, and all parts of the country. Giving a clear majority of votes to the Tory Party, the Conference was more or less proportionally representative of the strength of the groups returned to Westminster ten years ago.

The terms of reference of the Conference were (a) redistribution of seats, (b) reform of franchise (both Parliamentary and local government), (c) conduct and costs of Parliamentary elections, and expenses falling on candidates and Members of Parliament, and (d) methods of election.

The Conference met for the first time on February 16, and had held sixteen meetings when it made its first report on May 24, 1944.[11] The Prime Minister had asked for early reports on redistribution and assimilation of the Parliamentary and local government franchises. The Conference felt, however, that it was not possible to reach firm conclusions on redistribution until it had decided whether or not to recommend any change in methods of election, and further it felt both questions would also be affected by decisions on the business premises qualification and on university representation. Consequently its first report covered three of the terms of reference and left only costs of Parliamentary elections and expenses of candidates for its final report.[12]

Redistribution Completed

The Conference went on record in favor of a general redistribution of seats as soon as practicable. The Conference recommended immediate subdivision of abnormally large constituencies in preparation for an early General Election and a full

[11] Cmd. 6534, May 1944.

[12] Cmd. 6543, July 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

redistribution as soon as the boundary commissioners had completed the first step. The temporary rules laid down by the Speaker's group governing subdivisions stated that an electorate which under the 1939 register was not less than approximately 190 per cent of the quota for Great Britain (53,110) should be made into two constituencies. Similarly those having 290 or 390 per cent of the quota are to be subdivided into three or four constituencies, respectively. For this temporary increase in constituencies twenty-five additional seats in the House of Commons are to be provisionally provided.

The permanent rules suggested by the Conference to govern the boundary commissioners in making their later complete redistribution specified that the total number of Members of the House of Commons for Great Britain should remain substantially at the present figure of 591, with no reduction in the number for Scotland, Wales or Northern Ireland. This would mean that for every new constituency created by the subdivision of abnormally large ones under the temporary scheme, some other abnormally small constituency would have to be abolished when the permanent adjustment is made. The quota is to be determined by dividing the total electorate by the total number of seats existing at the time the boundary commissioners report. This would insure an up-to-date quota at all times. Existing constituencies are not to be modified unless the electorate falls short of or exceeds the quota by more than 25 per cent.

Double member constituencies are in general to be abolished. The City of London, however, is to continue to return two members. Maintenance of the tradition that Parliament is a representative assembly of the several local communities is emphasized by the rule that boundaries of Parliamentary constituencies shall coincide, where convenient, with the boundaries of local government administrative areas. Commissioners may depart from strict application of the rules if special geographical considerations appear to render such a course desirable.

The machinery to carry out these principles of redistribution is substantially that recommended by the Committee on Electoral Machinery. Separate boundary commissions for England, Scotland, Wales and Monmouthshire, and Northern Ireland

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

should undertake, at intervals of not less than three nor more than seven years, a general review of the representation in Commons of their part of the United Kingdom. In addition, special reports may be submitted at any time recommending changes in particular constituencies. All reports would be submitted to the Secretary of State concerned who would in turn lay them before Parliament with a draft Order in Council subject to affirmative resolution. However, the general reports on the first comprehensive scheme for the whole United Kingdom are to be given effect by a bill.

Acting with dispatch on the May report of the Speaker's Conference, the government introduced, on August 3, 1944, a redistribution bill closely adhering to the principles set forth in that report and the machinery recommended by the Committee on Electoral Reform.[13] The House of Commons (Redistribution of Seats) Act, passed on October 24, 1944, made provision for the immediate division of at least twenty abnormally large constituencies and created four permanent boundary commissions charged with the periodic redistribution of seats at Parliamentary elections.[14] Thus Parliament has corrected the most glaring inequalities in constituencies and set up machinery to assure the constant readjustment required to maintain equal electoral districts—one of the main principles for which the Chartists fought a hundred years ago!

Reform of the Franchise

The chief reform, and probably the most fundamental one the Speaker's Conference initiated, was the assimilation of the local government franchise to the decidedly more democratic Parliamentary one.[14a] Hitherto the occupants of taxable premises (and their spouses) have composed the municipal electorate. Whereas representation has depended upon ownership or use of

[13] The government accepted an amendment to the bill permitting the boundary commission for England to consider for subdivision other abnormally large constituencies in addition to the twenty designated for immediate division.

[14] H.C. Bill, c. 44, 1944.

[14a] A bill calling for universal adult suffrage and adding seven million voters in local elections was being debated on second reading as this article goes to press.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

property, the Conference would base it upon mere attainment of the age of full citizenship. Both Parliamentary and local government elections could then be held on the new registers provided for in the 1943 Act.

The Conference had apparently dried up its progressive font after suggesting redistribution and assimilation of the local to the Parliamentary franchise. One press reaction to the report was that none of its positive proposals rank in importance with its negative decisions. The conferees rejected, 25 to 6, a resolution that no person at any election should vote more than once. A flint stone in the Parliamentary debate on the registration bill in 1943, the plural vote also made the sparks fly in the Parliamentary pre-conference discussions on electoral reform. About one and one-third per cent of the voters enjoy a double franchise given them because they occupy business premises. Defenders ambiguously maintained that the business vote was not an extra one but simply a statutory vote to which certain individuals have been entitled for years, while opponents replied that the plural vote can be justified only by giving every workman the same franchise in the place of his employment. A slight concession to democracy was made in the recommendation that henceforth occupation of an office or shop gives a plural vote to one member of a married couple and not to both, as at present. The second type of plural franchise benefiting Conservatives, the university vote, remained untouched.[15] The argument that youth who defend the country with their lives should vote apparently carried little weight with the conferees, for they rejected a resolution to lower the voting age to eighteen.

Proportional Representation

Real reform in the machinery of representative government, according to one extremely vocal segment of British opinion, depends upon a change in the method of voting. Advocates of proportional representation have been busily publishing their preachments in every printed form. Two recent studies of con-

[15] The universiy vote was unaffected by the registration act, except that a service man entitled to it might exercise it by proxy. The university constituencies were specifically exempted from the application of the redistribution act.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

temporary electoral history proclaim the "monstrous inequities of the elections since 1918" in which the Liberal Party was wrecked, the Labor opposition dangerously reduced, the Conservative majority unduly inflated, and the country brought to near disaster.[16] The moral is unmistakable.

The opponents of P.R. contend that the main purpose of a General Election is not to produce an exactly representative House of Commons, but to produce a government based on solid majorities. In their view, to endanger this advantage—an advantage not always enjoyed in the classical period of Parliament in the mid-nineteenth century—by attempting to secure the precise representation of minorities among the electorate would be an unwarrantable risk. The two-party system and local representation would be imperiled by devices encouraging minor parties and multimember constituencies.

Officially the Conservative and Labor parties are against this electoral principle. In the debate in February 1944 on electoral reform at least seven members of the Speaker's Conference revealed themselves as emphatically opposed while only four were confessed supporters likely to press forcibly for it. When the Conference rejected a comprehensive resolution adopting the principle of proportional representation, it was a keen disappointment to many but no surprise.[17] A plan for the partial adoption of P.R. as an experiment in the next election was also tabled. Nor did the Conference look with favor on the alternative vote as a compromise and defeated a resolution which would have made it applicable in all single member constituencies.[18]

Candidates' Expenses

Expenses of candidates and the conduct and costs of Parliamentary elections were considered by the Conference during the early summer with "conservative" results.[19]

[16] Ross, J. F. S., *Parliamentary Representation* (London and New Haven, 1944). MacKay, R. W. G., *Coupon or Free* (London, 1944).

[17] A proposed amendment to the redistribution of seats bill precipitated a vigorous discussion of P.R. ending in a House vote defeating it, 202 to 18.

[18] Arthur C. Turner, while advocating P.R., strongly rejects the alternative vote as a compromise. *The Post-War House of Commons* (Glasgow, 1942), pp. 24-25.

[19] Cmd. 6543, July 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Able and popular candidates have been long overlooked by the central party office bent on securing a nominee whose private purse or trade-union backing will finance the campaign and keep the seat warm by generosity once it has been won. Hence there has been agitation for further limitation on election expenses with some support given the idea that the state undertake payment of a fixed sum to be the maximum expended by all candidates, and that by law the practice of "nursing" a constituency by generous benefactions be circumscribed. The Conference proposed a reduction in the maximum scale of candidates' expenses to £450 for all constituencies, to be supplemented with an allowance at the rate of 1*d.* for each elector in the borough constituencies and 1½*d.* for each elector in the county constituencies.[20] It rejected the proposal that the state should afford direct financial assistance to candidates. Believing that legislation could not effectively deal with the problems of contributions to charities and to party funds, the conferees merely enacted resolutions deprecating nest feathering. The hope was expressed that this condemnation would be a definite help to candidates exposed to unreasonable demands and deter party organizations inclined to put financial contributions before merit and ability. *The Economist* interpreted it as a deserved censure of the Conservative Party but the coat fitted all around.[21] The question was raised in *The New Statesman and the Nation* whether or not this resolution will "put an end to the virtual sale of the safest Labor seats to the highly subsidized nominees of trade unions and other bodies."[22] Candidates' deposits should be returned, the study group felt, if a candidate polls one tenth of the total votes cast, instead of the present requirement of one eighth, when more than three are running.

It was thought the physically incapacitated should be placed on the list of absent voters. Motor vehicle use for conveyance of able-bodied voters to the polls, which the Laborites tried to

[20] At present the maximum expenditure permitted by law is 6*d.* per elector in county constituencies and 5*d.* in borough constituencies.

[21] August 5, 1944, p. 179.

[22] August 5, 1944, p. 89.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

make illegal in 1931, was not condemned and remains one of the "main evils from which British elections now suffer."

As representative government emerges successfully from its period of greatest challenge, Great Britain has been endeavoring, significantly enough, to perfect its basis, the electoral process. However, wartime conditions have not prompted Parliamentarians and their agents to so much adventuresome governmental daring and self-sacrifice as are needed for complete democracy. The rest of the reforms proposed by the Speaker's Conference should promptly be made law and their orthodoxy should bring forth little opposition. A post-war House of Commons elected under these limited reforms may be more imbued with lessons of the age and might well take further steps to improve elections and representation.

John A. Perkins

University of Rochester

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BEGINNINGS OF AN AUSTRALASIAN PACIFIC POLICY

THE agreement signed in January 1944 by the governments of the Commonwealth of Australia and the Dominion of New Zealand [1] is a manifestation of the interest which these countries have maintained for many years in the problem of the Pacific islands, a development of the oft-stated policy that the two countries have a vital stake in the disposition and government of the islands south of the equator. Basic in the agreement is the statement that the disposal of enemy territories in the Pacific is of paramount importance to the two dominions and that "such disposal should be effected only with their agreement and as part of the general Pacific settlement." It is further declared by the two governments that "no change in the sovereignty or system of control of any of the islands of the Pacific should be effected except as the result of an agreement to which they are parties or in terms of which they have both concurred." [2] The pact also calls for the application of the principles of trusteeship and the Atlantic Charter in the administration of native affairs and urges the formation of a South Seas Regional Commission among the interested Powers—Australia, New Zealand, the United States, the United Kingdom and France—for the securing of a common policy among the Powers in such fields of activity as native participation in government, increase of production, coördination of health, medical services and education, improvements in native standards of living, and general coöperation in the various fields of research. In addition to the Powers listed above, it is suggested that the governments of the Netherlands and Portugal be invited to a frank exchange of views on the problems of

[1] Australian News and Information Bureau (New York), "Agreement between Australia and New Zealand", signed at Canberra, January 21, 1944.

[2] *Ibid.*, Articles 26 and 27.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

security, post-war development and native welfare in the southwest Pacific area.[3]

Since the signing of this agreement, the two dominions have given further evidence of their determination to make it effective in the consultations between cabinet members of the two governments held in Wellington from November 1 to November 6, 1944. Australian Minister for External Affairs Herbert V. Evatt, reviewing the results of the conference in a statement to the Australian House of Representatives in Canberra on November 29, 1944, stated that the two dominion governments have a right to expect "a full share in all arrangements to be made at all stages of planning for the Armistice and post-Armistice period in the war against Japan."[4] He further expressed his hope for action toward the establishment in 1945 of the South Seas Commission proposed in the January Canberra pact and gave notice that the two dominions were about to consult with the other governments having territorial interests in the southwest Pacific, concerning the establishment and constitution of the Commission.

In view of the long continuing interest of the two dominions in the disposition and government of the islands and territories in the waters around them, it is not surprising that they should have taken so outspoken a position on post-war Pacific arrangements. On at least two occasions, Australia and New Zealand have given evidence of their concern about the South Sea Islands; and they have given that evidence in conditions and ways embarrassing to the Powers that were making arrangements other than those sought by the two dominions. The earlier and more basically formative period of what might be called an Australasian foreign policy came in the 1880's over the question of the annexation of New Guinea. The more recent and better known of the two occasions was the stand taken by the Australian and New Zealand representatives at the Versailles Conference for annexation of the Pacific territories which their arms had seized from the Germans.

[3] *Ibid.*, Articles 28-34.

[4] Australian News and Information Bureau, "Australian Minister Reviews Results of Australian-New Zealand Conference", press release, November 29, 1944.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The story of the clash at Versailles between Prime Minister Hughes of Australia and President Wilson on this issue has been told in Ray Stannard Baker's work on *Woodrow Wilson and the World Settlement*[5] and in other volumes dealing with the Versailles Conference. During the course of the first World War, the strain on British naval power in the Atlantic was so great that the British were forced to place greater dependence upon Japanese power in the Pacific than they really cared to. Because of this, Britain came to the conference pledged to the support of Japanese claims to the former German islands north of the equator.[6] Australia had given a rather reluctant consent to this Anglo-Japanese understanding, Prime Minister Hughes protesting to Sir Edward Grey on his visit to London in 1916 that he was being confronted with a *fait accompli*.[7] But when it came to the question of the islands and territories south of the equator, there was to be no consent, reluctant or otherwise, from Hughes and his government for any course other than outright Anglo-Australian annexation. In this, Hughes had the support of Prime Minister Massey of New Zealand. The ambitions of Australia centered chiefly on the retention of German New Guinea; those of New Zealand on the holding of German Samoa.

The clash between the dominions' demands for annexation of these territories and the principles of self-determination and no annexation stated in the fifth of the Fourteen Points brought the wiry, rasping personality of Hughes into conflict with Wilson, much to the delight of Clemenceau; but the French statesman was to manifest no delight later when Hughes tried to sound him out on the question of a possible French withdrawal from New Caledonia. The upshot of the dispute was the creation of the Class C mandate, the idea of which seems to have come from Lieutenant Commander John C. Latham, a member of the Australian delegation and at present Chief Justice of the High Court of Australia. Hughes accepted this on the assur-

[5] New York, 1922, vol. I, pp. 254 *et seq.*

[6] The Caroline, Marshall, and Marianas island groups.

[7] Ernest Scott, *Australia during the War*, volume XI of "Official History of Australia in the War of 1914-18", edited by C. E. W. Bean (Sydney, 1936), p. 765.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ance that it was the equivalent of a 999 years' lease as compared with the freehold that he and the Australian government had desired.

If the shades of any departed British statesmen haunted the corridors at Versailles, there is one who would have recognized in Hughes's statements the authentic voice of Australian aspirations. Lord Derby, Secretary of State for the Colonies in the second Gladstone ministry, would have known the essential facts of the conflict, for he had heard them before. He knew all about the Australian desire for New Guinea.

New Guinea is a great island to the northeast of Australia; but it is more than that. It is also the easternmost of the great Indies island chain, and as British and Dutch power moved from west to east along that island chain it was inevitable that both should sooner or later turn their attention there. The Dutch established their power in New Guinea in 1828, but the British made no establishment of any permanence until some sixty-odd years later. There was a tentative move there in 1774,[8] and what started out to be a promising settlement at Doreh in the 1790's,[9] but nothing permanent resulted from either of them. The next British activities in these waters were attempts to establish settlements on the northern coast of Australia, primarily to gain an entry into the market of the Malays, created largely by the Malays' domination of the *beche-de-mer* trade. Melville Island, Port Raffles and finally Port Essington were all settled in succession in the hope that one of them might turn out to be another Singapore; each in its turn was abandoned, the last about the middle of the nineteenth century.[10] No permanent British settlement had been made on New Guinea, and the northern Australian regions had proved too inhospitable. The Admiralty continued to make surveys of the New Guinea coast and of the waters nearby, especially the waters of the Torres Strait.

[8] Thomas Forrest, *A Voyage to New Guinea* (London, 1780).

[9] Ida Marriott, *Commodore Sir John Hayes* (London, 1912).

[10] Dora Howard, "The English Activities on the North Coast of Australia in the First Half of the Nineteenth Century", *Proceedings of the Royal Geographical Society of Australasia*, South Australian Branch, Adelaide, vol. 33, 1933.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The first indication of Australian interest on any scale in New Guinea came in 1867, when a New Guinea Company was formed, and in 1872, when a band of adventurers in Sydney fitted out an old brig and set sail for the island in the hope of high achievement and great riches to be found in that unknown land. The crazy vessel struck a reef, and half of the band was lost in the wreck or killed by the natives whom they encountered on the harsh coast of northern Queensland.[11] In the early 1870's, however, the first mission station was opened on the islands of the Torres Strait and the penetration of the great eastern portion of New Guinea really began. This mission station was founded by the London Missionary Society, the first British mission organization to work in the South Pacific. The missionaries did much exploring on the island, thoroughly covering the shore along the southern coast, and ascending the great Fly River. At the same time the surveys of Captain Moresby of the Royal Navy revealed Milne Bay, the China Passage, and details of the string of islands at the eastern end of New Guinea.[12] Stories of gold discoveries excited attention in Australia, and a few diggers reached the island but found no gold.

European states were extending their power into the western Pacific. Australians watched, with considerable dismay, French activities in New Caledonia, where 4,000 prisoners were dumped as punishment for their part in the Paris Commune. The French seemed to be planning development of the island as an even larger penal colony, and Australians had memories, still fresh, of the struggle they had put up to end English transportation of convicts to their land. They had no desire to see an island as near as New Caledonia turned into another Botany Bay. Further, the presence of convicts so near their shores created a police problem for the Australian colonies.[13] Escapes were not infre-

[11] Anonymous, "The Wreck of the 'Maria' ", *The Nautical Magazine*, London, September 1872.

[12] Captain John Moresby, R.N., *New Guinea and Polynesia: Discoveries and Surveys in New Guinea* (London, 1876).

[13] Henry L. Hall, *Victoria's Part in the Australian Federation Movement, 1849–1900* (London, 1931), p. 40.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

quent; most of the fugitives headed for Sydney or some other Australian town, and the French authorities, so the Australians alleged, were none too quick in their extradition procedures. Unlike the French, the Germans in the 1870's seemed to have no definite colonial ambitions, but the trade of the South Seas had for many years been chiefly in the hands of Germans, especially the Hamburg house of Godeffroy.

The Australians were somewhat cheered by the annexation of Fiji by Britain in 1874, for it seemed to mean that all was not to be left to the French, Germans and Americans in the Pacific. The consent of the British government to that annexation gave hope for the success of larger schemes, and efforts were made to achieve the annexation of New Guinea. When, however, the Earl of Carnarvon, British Secretary of State for the Colonies, made the counter-suggestion that if the island of New Guinea were brought into the Empire it would be done in the interests of the Australian colonies, and they might appropriately be called upon to pay the cost, enthusiasm for the project waned noticeably.[14]

It was not until 1883 that the New Guinea issue again became prominent. In 1882, 66,000 tons of shipping moved westward through the Torres Strait from the ports of Queensland, and 56,000 tons moved in the opposite direction. In the *beche-de-mer* trade 1,500 persons were engaged in operating approximately 195 vessels.[15] The Premier of Queensland in the early 1880's was Sir Thomas McIlwraith, a pushing, aggressive Scotsman of big ambitions,[16] and leader of a political party generally considered to represent the interests of the plantation owners in Queensland. An article in the *Augsburg Allgemeine Zeitung*, calling attention to New Guinea as a probable field of German colonization, aroused much excitement when reprinted in the *Sydney Morning Herald*. On February 26, 1883, McIlwraith drew the attention of the Governor of the colony of Queensland

[14] New South Wales Legislative Assembly, *Votes and Proceedings*, 1875-76, vol. II; Great Britain, *Accounts and Papers*, 1876, vol. LIV, c. 1566.

[15] Queensland Legislative Assembly, *Votes and Proceedings*, 1883, p. 776.

[16] Sir Charles Dilke, *Problems of Greater Britain* (London, 1890), p. 205.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to the article and to the New Guinea situation in general, and urged the annexation of the island. McIlwraith also instructed the Agent of Queensland in London to urge annexation on the Colonial Office.[17] Impatient with the lack of results from this procedure, McIlwraith went ahead on his own responsibility, and in March 1883 a Police Magistrate of Queensland annexed New Guinea on behalf of the Queensland government and without support or approval of the imperial authorities. The act was promptly repudiated by Lord Derby, but by this time Australian feeling had been greatly aroused, and McIlwraith sought the assistance of the other colonial governments in urging London to take possession of non-Dutch New Guinea, suggesting that it was a project for a federated Australia.

McIlwraith's appeal for support received its most eager response from James Service, Premier of Victoria, another Scotsman, and under Service's leadership the issue of the annexation of New Guinea was broadened into one of the annexation of all the unoccupied islands from New Guinea to Fiji.[18] Connected with this was the question of the federation of the Australian colonies, now more eagerly desired by some because federation would make more effective the voice of Australia in Pacific and imperial affairs. The Premier's office became the center of Australian agitation for British annexation of most of the islands of Polynesia, and in this agitation, in his own state of Victoria, Service had the assistance of Presbyterian divines and missionaries from the New Hebrides. In that island group, the Presbyterian New Hebrides Mission had some fears of an encroachment of French Catholic missions into their field, and of French land purchases as a foreshadowing of French annexation. The missionaries carried their story to Service and to the people of Victoria, and Service received petitions from all over the colony, urging annexation of New Guinea, annexation of the sweep of islands from New Guinea to the Fijis, and the restraint of French penal colonization. Of thirty-eight petitions recorded as coming to Service from various public bodies and private groups, thir-

17 Queensland Legislative Assembly, *op. cit.*

18 Victoria Legislative Assembly, *Votes and Proceedings*, 1883, Twelfth Parliament, 2nd Session, vols. II and III, *passim*.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

teen had a clergyman of some sect or another prominent in its presentation.[19]

In addition, Service eagerly pushed the suggestion of McIlwraith that an intercolonial convention be held for the purpose of establishing an Australasian federation, in order that an effective expression of a common interest might be made. Despite coolness of some of the other colonies such a convention did meet in Sydney toward the end of 1883, and a set of resolutions bearing upon the island problems was passed. The first resolution stated the opinion of the convention that the further acquisition of territory south of the equator by foreign Powers would be detrimental to the interests of the Empire as a whole and injurious to the British possessions in Australia; the second left it to the discretion of Great Britain as to the best method of preventing further encroachment; and the third called for the incorporation of eastern New Guinea into the Empire.[20]

New Zealand was a participant in these deliberations, not only because there was interest in a federation that might include that colony, but because New Zealand also had some territorial aspirations in the Pacific. As early as 1847, Sir George Grey, Governor of New Zealand, had looked forward to the day when those islands might be a part of a great British western Pacific domain.[21] Nothing had come of his idea then, for it had found no favor in Great Britain, but in the 1870's there had been a revival of the idea. The murder of the prominent Bishop Patteson by natives enraged because of the depredations of the labor traffic created widespread feeling that extension of law and order among the islands was essential, and that annexation was one method of achieving this. New Zealand had just agreed to subsidize a steamship line across the Pacific, and there was interest in the ports of call. Samoa seemed to be a desirable one, but Samoa was a center of British, German and American rivalry. To Julius Vogel, Premier of New Zealand, the best way to

[19] Victoria Legislative Assembly, *Votes and Proceedings*, 1884, vol. II, Paper #23.

[20] *Ibid.*, Paper #25.

[21] Sylvia Masterman, *The Origins of International Rivalry in Samoa, 1845-1884* (London, 1934), p. 85.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

put an end to the rivalry was to establish British power in the islands.[22] Vogel's ambitious projects ran into the firm opposition of the Earl of Kimberly, Colonial Secretary, and of Robert G. W. Herbert, Permanent Under-secretary of the Colonial Office, and they were not to be persuaded from their position by an ingenious idea of Vogel for the formation of a trading company in Samoa that would turn a proportion of its profits over to mission undertakings. Nor did the fall of the first Gladstone ministry in 1874 do Vogel's scheme any good; for Carnarvon, who succeeded Kimberly at the Colonial Office, held it in equally low esteem.[23] In 1883, an ex-member of the New Zealand Parliament, who had been in Samoa for the purpose of making an adjustment on a land claim, began to stir up agitation in New Zealand again for the annexation of Samoa.[24]

In Britain the alarums and excursions of the colonial governments were observed without sympathy by the second Gladstone ministry. Their fears of imminent German moves seemed to both the Colonial Office and the Foreign Office to be without foundation.[25] Lord Ampthill, the British Ambassador in Berlin, insisted that Bismarck was opposed to the program of the German colonial expansionists, and in the security of these assurances London pooh-poohed the fears of the colonial governments.[26]

Meanwhile the Imperial Government went on in its leisurely way toward the establishment of a British protectorate along the southern shores of New Guinea. The protectorate was proclaimed at the end of 1884, but this concession was not completely pleasing to the Australian colonies. For one thing, there was haggling over the measure of the contribution that the colonies were to make to the expenses of the new protectorate's

22 Great Britain, *Accounts and Papers*, 1884-85, vol. LIV, pp. 81-83.

23 Masterman, *op. cit.*, p. 98.

24 *Ibid.*, pp. 174-179.

25 Victoria Legislative Assembly, *Votes and Proceedings*, 1884, vol. II, Paper #25, pp. 78-79. Letter of Lord Derby to A. H. Palmer, Officer Administering Queensland Government, July 11, 1883.

26 A. W. Ward and G. P. Gooch, editors, *The Cambridge History of British Foreign Policy, 1783-1919* (Cambridge, 1922-1923), vol. III, p. 207, footnote.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

administration, and, for another, there was disappointment over the extent of the protectorate. Premier Service, chairman of a standing committee appointed by the 1883 convention to carry into effect the resolutions of the convention, made an effort to get his colleagues of the other colonies to put renewed pressure on London for the extension of the protectorate to all of non-Dutch New Guinea, and for the annexation of the Pacific islands, but found both the New South Wales and Queensland governments unwilling to go along.[27]

The anger of the Australian colonists, when news came in December of 1884 that Germany had annexed the northern shores of New Guinea and New Britain and New Ireland as well, was very great. The *Sydney Morning Herald*, the oldest and perhaps the most influential of Australian papers, berated Lord Derby, the British Colonial Secretary, for undervaluing the interests of the colonies and not understanding the true interest of the Empire.[28] And despite the ardent imperial feeling of the historian J. A. Froude, who was visiting Australia about this time, there is no reason to doubt his statement about the sentiment whch prevailed in Victoria.

> As matters stood, the anger was directed as much at England as at Germany. As they could not act for themselves they thought that England ought to have acted for them, to have claimed New Guinea at once as British territory, and to have ordered the Germans out of it as peremptorily as the Americans ordered the French out of Mexico. They blamed the Gladstone ministry; they blamed especially the Colonial Secretary, the unfortunate Lord Derby. Impatient people talked of petitioning the Crown for his dismissal.[29]

But Germany was not pushed out of New Guinea. As Professor Knaplund points out, in the New Guinea situation the Gladstone ministry had the choice of offending Germany or the Australasian colonies. Since the German position was a strong one, and the position of the British government, with

[27] Queensland Legislative Assembly, *Votes and Proceedings*, 1885, vol. II, p. 1007.

[28] Sydney Morning Herald, *A Century of Journalism* (Sydney, 1931), pp. 307-308.

[29] J. A. Froude, *Oceana* (London, 1886), pp. 99-100.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the Egyptian and Indian border troubles on its hands, was weak, the desires of the colonies had to be disregarded.[30] German power, therefore, remained established in New Guinea until Australian troops conquered the area in the early months of the first World War.

Out of the situation, however, there seems to have emerged an Australasian policy in regard to the islands of the Pacific that has been separate and apart from the policy of the Imperial Government. Even if Service was not the founder of an Australian foreign policy, as Sir Charles Dilke called him,[31] he and others like him did state in 1883 a viewpoint that has been generally maintained since, that viewpoint which received its most recent expression in the Australia-New Zealand Pact of 1944 and its subsequent elaborations.

DONALD C. GORDON

MONTICELLO COLLEGE

30 Paul Knaplund, *Gladstone and Britain's Imperial Policy* (London, 1927), pp. 140-141.

31 Dilke, *op. cit.*, p. 133.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

MILITARY GOVERNMENT IN THE PACIFIC: INITIAL PHASE

WHEN Lieutenant Eugene F. Bogan, United States Naval Reserve, tacked up the first of five proclamations on Salome Island, Majuro Atoll, on the morning of January 31, 1944, he wielded the hammer with a fitting sense of the historic importance of the act.

Posting of these proclamations marked the first taking over by American Military Government of territory which had been under control of the Japanese Emperor before Pearl Harbor. Majuro Atoll is one of the Ratak or eastern (sunrise) chain of the two comprising the Marshall Islands area. Although the main American attack on the Marshalls was concentrated on the Ralik (sunset) chain, Majuro was the first atoll to fall to United States forces, because the Japanese had withdrawn from it after American conquest of the Gilberts in the autumn of 1943. Only four Japanese remained on the atoll. Lieutenant Bogan was thus the first Navy civil affairs officer in the Marshalls to post proclamations taking over governmental functions in the name of Admiral Chester W. Nimitz, Commander in Chief of the United States Fleet and Pacific Ocean areas, and Military Governor of the Marshall Islands.

Salome Island (thus renamed by American forces) of the Majuro Atoll was chosen for posting of the first proclamations because it was then the residence of aged "King" or Chief Langlan, hereditary native ruler.

The proclamations were a synthesis of the experience of American military government in the Caribbean, British experience in North Africa, and the Allied Military Government in Italy, and of the knowledge gained from study of international law and treaties. They were phrased especially for use in the Marshalls, and printed both in English and in Japanese characters, since Japanese has been for the past quarter-century the official language of the Marshalls. Unfortunately the Japanese characters

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

used could not be read by the natives, most of whom know only the Japanese hiragana syllabary, rather than characters. Native interpreters, however, informed the people of the content of the proclamations.

The series of five proclamations states an intention to fulfill responsibilities which the United States assumes under international law and treaties governing the occupation of enemy territory, and also states the rights and privileges of our government, in the occupation. The content of the five proclamations may be summarized as follows:

1. Suspends Japanese authority in the area, vests all civil authority in Admiral Nimitz as Military Governor, and assures the natives that their customs, laws, property and persons will be respected.

2. Lists war crimes (offenses against American forces) and also retains the Japanese penal code and native customary law. Offenses against the Japanese penal code and native customary law are punishable by military courts, guided by punishments usually inflicted for such offenses. Village headmen or chiefs may sit with the military court in cases involving offenses against native customary law.

3. Covers commercial practices, sets up a currency system, provides a moratorium on debts, and forbids transfer of land or buildings without consent of the Military Government. There is provision for surrender of Japanese yen, at the rate of 20 yen for one American dollar, with a maximum of 1,000 yen so exchangeable.

4. Creates a system of military courts. These include general military courts, for the trial of major offenses, with exclusive jurisdiction over prisoners of war charged with war crimes; superior military courts, whose maximum penalties may not include death or imprisonment for more than five years; and summary courts, whose maximum penalty may not exceed imprisonment for more than a year, or a fine of more than $100, or both. All cases in which sentences exceed a year's imprisonment or a fine of $100 must be reviewed by the Military Governor. Sentences involving death must be approved by the Secretary of the Navy.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

5. Provides for custody of enemy-owned property and of the property of other absentee owners and specifically safeguards the property rights of nationals of countries at war with Japan.

With the posting of these proclamations, Lieutenant Bogan became responsible for the welfare of approximately seven hundred natives of the atoll.

Responsibilities of civil administration have been carried out in the Marshalls with full consciousness that what is done there may serve as a pattern for other areas and may establish the reputation and position of the United States in the eyes of the native inhabitants and of the rest of the world.

In this first of the Marshalls atolls to be taken over, the civil affairs officer has been almost exclusively occupied with establishing and keeping the native economy on a sound basis, cooperating with medical authorities in improving the health of the natives, and seeing that the natives are disturbed as little as possible.

Because of Spanish and German rule for many years before World War I, and of Japanese secretiveness since that time, Americans have regarded the Marshalls as a mysterious area, whose natives might prove to have been indoctrinated by the Japanese, and hostile to Americans. The natives instead have almost without exception been friendly, peaceful and coöperative, and in general intelligent, cleanly and religious. In the first two and a half months of occupation of Majuro no crimes requiring convening of a military court were committed. One Korean, husband of a native woman, was caught propagandizing for Japan, arrested as a prisoner of war, and sent to a prison camp.

Among the factors making for native coöperation the following are important:

1. A long missionary tradition in which the chief American influence was the Congregational Church. A limited amount of missionary access to the islands was allowed by the Japanese until the years immediately before the outbreak of war. The natives are fond of churchgoing, but prefer singing to exhortation. Native homes in Laura Village, Majuro, had hymnals containing native dialect translations of traditional hymns, using

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

music familiar to millions of American Protestant churchgoers. Native and Japanese Christian evangelists have carried on the missionary tradition.

2. Japanese maltreatment of the natives. Conditions appear to have been reasonably good until recent years, although the practice of using "voluntary" native laborers at points distant from their homes and at nominal wages appears to have been fairly common. In recent years, and particularly since the outbreak of war, the Japanese have used what is in effect forced labor on military projects. On Majuro young native women had been systematically used both as domestics in Japanese camps, and for sexual purposes, being replaced by others when they became pregnant or diseased. Many children recently born on Majuro are obviously of Japanese parentage. When the Japanese fled, they took with them approximately 275 natives between the ages of 15 and 40, of whom 100 were young women. These were taken to Jaluit, administrative center for the Marshalls. Many young people hid. Others escaped and returned, one group making the long voyage across the open ocean in a small boat. Natives resisting the Japanese were made to carry large blocks of stone around the village church, and some women suffered the indignity of having their heads shaved.

3. The American policy of protecting the natives. From the beginning of the occupation, the policy has been to interfere with normal native life only to the extent required by military necessity. In general the natives have been isolated from the armed forces. All trading on Majuro must be done through the civil affairs officer, and no other barter or purchase is allowed. A small force of marines and sailors has been stationed in the main village to help build hospital facilities, improve the water supply, and serve as medical assistants to Lieutenant Frank Ashburn (MC), U.S.N.R., in immediate charge of medical work in the chief native village.

4. The fact that the natives are basically a friendly, generous people, primarily interested in preservation of their own way of life rather than in the national aspirations of any of the Powers. Navy policy is based on the belief that what is for the best interests of the natives is for the best interests of the United States.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

As Commander A. C. Hohn (MC), U.S.N., senior medical officer on the atoll, said: "We expect to be in these islands a long time. The health and welfare of these people are important to us. Put in its most practical terms: If they are unhealthy they become an economic liability and a potential menace to the health of our own forces; if they are healthy they are an asset in every way."

Lack of soap and medical supplies resulted in nearly all in this particular area being diseased. Of 272 natives examined by Commander Hohn, all had yaws sores or scars. Of 97 men, all showed positive reaction to yaws, and of 24 women, 6 had positive reaction. "Yet they are as clean a group of people as I have ever seen", Commander Hohn commented. "Their eagerness for medical care was unbounded and their gratitude overwhelming."

Dr. Ria, a native medical practitioner with six years of training in a Japanese hospital on Jaluit, was found on Majuro when the Americans came in, and has worked closely with Dr. Ashburn in his work in the main village. A portable medical unit built by Dr. Ashburn formed the nucleus of a medical center. Permanent wooden buildings housing a doctor's office and examination rooms, dispensary and x-ray rooms, and a general ward have since been built.

Due formality was used in taking over the atoll. Soon after the Americans moved in a formal dinner was given by Captain V. F. Grant, U.S.N., atoll commander, and Colonel Lawrence Norman, U.S.M.C., for King Langlan, his wife and their small daughter, and ten of the village elders including "King" Jidian, a secondary native ruler, and Aisea, chief magistrate and prospective successor to the atoll headship. Gifts were exchanged, and King Langlan was presented with a three-inch brass disc made by a member of a Navy Construction Battalion, stamped with an American eagle and inscribed: "King of Majuro, U. S. Navy". King Langlan surrendered cloth insignia and buttons given him by the Japanese. Previously an American flag had been hoisted before the white frame government hall of Majuro (Laura) Village in the presence of Admiral Raymond A. Spruance, then commander of American forces in the Central Pacific. A Japanese flag was turned over to American author-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ities. Admiral Spruance also received Chief Langlan aboard his flagship, and has taken a keen personal interest in the welfare of the natives. Several sacks of pineapple seeds were presented by him to the village.

Although medical and food supplies were given to the natives when need dictated such a course, the attempt has been to strike a happy medium between the Japanese policy of using forced labor and one of making public wards of the natives. The objective has been to establish and maintain an economy which will make it necessary for the natives to do a moderate amount of work to satisfy their relatively few needs for products impossible to obtain from local sources, such as kerosene, cloth, rice, and simple agricultural implements.

This has been acomplished on Majuro by having all trading controlled by the civil affairs officer. All supplies except medicines are sold at a village store with prices fixed by the civil affairs officer. Natives may obtain money by doing needed work or by making handicraft articles—woven baskets and mats, shell necklaces, and the like. Native handiwork is sold to our forces through regular ship's stores or post exchanges at cost plus a small "markup". Profits, if any, are used to buy medical and other supplies. The civil affairs officer trades with the natives once each week, and they are notified in advance as to the time of the visit of the trading party. Native handiwork is paid for in cash.

"Early introduction and careful enforcement of this policy were important to guarantee that these people did not become indolent public wards, dependent on a naval garrison for support", Lieutenant Bogan commented. Although the natives were regarded by the Japanese as lazy, Lieutenant Bogan has found them "a hard working, independent, intelligent and resourceful people."

Every effort has been made to avoid disturbing the natives. Naval officers visiting native areas are always accompanied by the civil affairs officer and interpreter. Visits of officer or enlisted personnel without specific written permission of the atoll commander are strictly forbidden. Military personnel must not enter native homes.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The few marines and sailors stationed in native areas get along well with the people. Part of their popularity may be attributed to their willingness to take small native boys—and sometimes their elders—for short jeep and truck rides. The young Americans also have taught the village youngsters such varied American favorites as "Pistol Packin' Mamma", "You Are My Sunshine", and "Onward Christian Soldiers".

Most staples of native diet are grown on the islands. These include the ubiquitous coconut, taro, breadfruit, pandanus, bananas, papaya, and some citrus fruit. The natives also raise pigs and chickens of fairly good quality, and catch fish. Efforts to introduce beans into the native diet by selling them at the village store were not successful. Commander Hohn, atoll medical officer, then bought beans, cooked them over an open fire in full view of curious passers-by, and ate them with a great show of enjoyment, giving out free samples to venturesome natives. Following this demonstration, Lieutenant Bogan lectured, through the interpreter, on the food value of the bean. This program achieved at least a partial conversion to the bean as food, an achievement the more remarkable in that the Navy has not been able entirely to reconcile all its own personnel to that staple of diet.

Most valuable have been the services of Michael Meddison, son of a native woman of the Gilberts and an American sailor father. Meddison was educated by missionaries in the Gilberts, and later removed with his family to Majuro. He speaks a pure and delightful English. Relatives living in the Gilberts told Navy authorities of his presence on Majuro. Marine raiders, accompanied by Lieutenant Bogan, landed near his home the night before D-day, and learned that all but four Japanese had been evacuated.

Meddison has seen glimpses of much of the historical drama of the Pacific in his sixty years. Stranded in the Hawaiian Islands during the Spanish-American War, he saw Admiral Dewey's fleet on its way west to take the Philippines. During World War I, the German Far Eastern Fleet stopped overnight in the lagoon of his atoll as it fled from the Japanese attack on the German naval base in China. Now he has seen portions of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the mightiest fleet in history, the American forces in the Pacific, visit the quiet and beautiful waters near his home.

One of Meddison's first duties with the Americans was to assist in evacuation of approximately one hundred natives, including his own family and that of Chief Langlan, to an area not needed for military purposes. Evacuation was accomplished in a Landing Ship Tank, and the removed natives were given food and tools for use in establishing themselves in their new home. A letter of thanks for the courtesy shown in the evacuation was sent by the native king and chief magistrate to the atoll commander.

Most of the public buildings of Majuro (Laura) Village are frame, while native houses are usually of thatch construction, some with frame sidewalls. In Majuro Village the dwellings are built on each side of a single long grassy lane, wide enough for a truck. The lane is flanked by high flowering hedges which separate it from the native gardens and homes. Coral sand is used to eliminate the mud of the rainy season. The total effect is strangely like that of a small midwestern or southern country village, though the flourishing coconuts and brown-skinned native women, with flowers in their hair and garbed in long "Mother Hubbard" dresses, scarcely bear out the analogy. The natives were quick to replace the Japanese bow as a form of greeting by a friendly wave or salute, accompanied by a smiling "Allo" in the western style, or what may best be translated as "Yowat"—the native greeting.

Village elders were continued in office, and native police were given new leases of authority. Their chief duties are to see that needy families or individuals receive appropriate assistance.

Education presents a problem, since the natives who conducted mission schools were taken away with the Japanese. Under Japanese rule, native children were eligible for three to five years of instruction in public schools on Jaluit atoll. A separate school system was maintained for the Japanese. The government-conducted native schools stressed the Japanese spoken language and the hiragana, or Japanese syllabary. Instruction also was offered in arithmetic, geography, gymnastics, rudimentary science, and household arts. So much stress was placed on Japanese language

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and ethics that native elders considered the other training of the children inadequate. After completing the Japanese schools, native children were permitted to attend misionary schools and it was there, native leaders say, that they received their most useful instruction. Many of the native teachers were the offspring of unions between natives and the various whites who have in the past century lived in, ruled or traded in the islands. To Marshallese of mixed descent the coming of Americans was particularly welcome, since Japanese policy was to regard them as inferior to both Japanese and natives.

In recent years, Japanese education had tended more and more toward winning the young people away from their own or their acquired Christian traditions, a trend viewed with alarm by native elders. At Mejit the natives burst into applause when the civil affairs officer announced they were now free to worship as they pleased.

A Marine Corps chaplain, Lieutenant G. F. LaBarre of Williamsburg, Virginia, performed a mass wedding for five native couples in the village church, soon after the American occupation, and continues to visit the village regularly, providing accompaniment for native singing by a portable organ played by a former organist for a fashionable Chicago suburban congregation. Most natives sit on the floor in church, but village elders have their own western-style chairs, and wear white suits which set them off from the commonality.

Civil affairs experience on Majuro has been described in some detail because of that atoll's historical priority. Problems generally similar but varying in detail were encountered elsewhere in the Marshalls. Civil affairs officers were assigned to each major subdivision, and a chief civil affairs officer, Lieutenant L. C. Bergquist, U.S.N.R., has headquarters at Kwajalein.

Fortunately, conquest of the Marshalls found the Navy prepared with officers especially trained for civil administration—graduates of the Navy School of Military Government at Columbia University. The civil affairs officer normally learns the law, languages, customs and economics of areas to be occupied. He stands between the armed forces and the civil population, assisting both.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Training of men for these selected tasks was started in the summer of 1942. Many graduates of the first class gained experience with Allied Military Government staffs in the Mediterranean theater before coming to the Pacific, but have found there problems much different in kind and degree from those of the Mediterranean. In the Marshalls, there are no troops but Americans. The entire civil affairs staff is American, and there is no distinct civil organization separate from the garrisoning forces, since the civil affairs officer is a member of the staff of the military commander of a given area.

Lieutenant Bogan, civil affairs officer on Majuro, is representative though not typical of Navy civil affairs officers. He had been a member of a Washington firm specializing in tax law and a Treasury counsel before he entered the Navy School of Military Government at Columbia, where he was among the top men in his class. He then attended the Army's military government school at Charlottesville, Virginia, and finished third in a large class there. The Army "borrowed" him and assigned him to the staff of Major General H. H. Richardson, commanding general of the Hawaiian Islands area. Pacific fleet headquarters, in turn, re-borrowed him from the Army to draft the English version of the proclamations taking over the Marshalls. He was then assigned to duty as a civil affairs officer with the assault troops, and in this capacity posted the first proclamations taking over the area.

That act opened a new era in American history in the Pacific. If the first few months of experience in the Marshalls may be taken as an omen, it may prove a happy one for both the United States and the native peoples.

RUSSELL I. THACKREY
Lieutenant, U. S. N. R. (Inactive)
KANSAS STATE COLLEGE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

CRITICS OF "BUREAUCRACY"

I

EVERY even year, as though by the order of Nature, United States government officials are stripped of their disguise and transfigured into monsters called "bureaucrats". The four volumes now under review [1] bear the imprint, 1944, the year, also, of a fourth-term presidential election campaign. This is no accident; though it must be admitted that Professor Ludwig von Mises has been writing on this theme for many years, and proving, for nearly three decades, that public administration, even on a minor scale, is impossible. With the exception of that by Mr. Juran, the volumes do much more to confound than to distinguish the issues involved in the term "bureaucracy". They display and often share the fallacies with which the public is bedeviled. It is necessary first to appreciate the approach and doctrine of these authors, and then to attempt a slight outline of the problems that really have to be solved. First, then, let us steer through the pseudo problems.

II

It is plain that "bureaucrat" and "bureaucracy" are terms of abuse, insults, expressions of contempt or fear, or both. Mises recognizes this plainly. Mr. Crider admits it from time to time without making amends. Mr. Sullivan seems to think that all governmental activity deserves this appellation. Some of his evidence is taken from the Dies Committee, without reluctance. Mr. Juran recognizes that there are aberrations in the activity of public officials, believes that only these constitute what may properly be called bureaucracy, while all the rest is public service. He recommends a number of measures which would tend to cure the diseases. For Mr. Sullivan attention is riveted

[1] *Bureaucracy*, by Ludwig von Mises. New Haven, Yale University Press, 1944. viii, 125 pp. $2.00.

Bureaucracy: A Challenge to Better Management, by J. M. Juran. New York and London, Harper & Brothers, 1944. xiv, 138 pp. $2.00.

Bureaucracy Runs Amuck, by Lawrence Sullivan. Indianapolis and New York, The Bobbs-Merrill Company, 1944. 318 pp. $2.00.

The Bureaucrat, by John H. Crider. Philadelphia and New York, J. B. Lippincott Company, 1944. 373 pp. $3.00.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

on Washington in World War II, and he is incapable of recognizing the tremendous job the government has done, the shortness of the time in which it was allowed to do it, or the urgency of the sacrifices required of the nation. The evidence upon which he is content to rely—hearsay, snippets, congressional obiter dicta in which personal or partisan motives and judgments cry out loud—would never be allowed to carry weight in the procedure of any single government department or administrative tribunal.

Likewise, Mr. Crider imputes to public officials the faults of bad policy, whether Congressional or Presidential, or the direct fruits of policies which have been heard, debated and electorally accepted. Though he is more literate than Mr. Sullivan, he is content to rest his remarks on much the same kind of evidence supported here and there by the mention of many newspaper-worthy names in Washington, and little anecdotes, very frequently referring to his personal observation of the curious habits of stenographers in Washington offices. It is the New Deal rather than the war that is his worry; and, of course, he makes tremendous play, as does Mr. Sullivan, with the string of alphabetical titles of the government departments and the fact that there are now some three million public employees in the United States. Still there are occasional pages of good sense in the Crider book; few in Sullivan; many in Mises, though they are distorted by what he would call a *Weltanschauung* hostile to state activity. The most helpful contribution is Mr. Juran's judicious challenge. Mr. Crider's title is the most promising, Mr. Juran's the most fulfilling. Mr. Crider's is: *The Bureaucrat: A Natural History of the Bureaucrat, His Habitat, Feeding Habits, Protective Coloration, Fertility, Ubiquitous Activities and Probable Future.* Mr. Juran's is: *Bureaucracy: A Challenge to Better Management.*

III

It is now useful to clarify the issues, the confusion of which has already been suggested in the foregoing. The first thing that is *not* "bureaucracy" is the New Deal. The New Deal is a governmental policy comprising social and economic reform, four times, at any rate three times, endorsed by a majority of the American electorate, and on the fourth occasion the object of appeal to the people by both parties. It is composed of popular consent, Congressional enactment, Congressional devolution of certain responsibilities to the Executive, judicial validation, and, finally, many hundreds of orders founded upon the laws and designed to give these their effective fulfillment. As Mr. Crider

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

points out frequently and chidingly: the people have demanded these things. If there is bureaucracy in the New Deal, it is not the public officials who are alone responsible for it. The second thing that is *not* bureaucracy is state enterprise, which, in the last half-century, has come in such vast measure to supplant some and regulate other branches of private enterprise. Here the refined confusions are introduced by Mises, the vulgar ones by Sullivan and Crider. Mises introduces this factor deliberately and consciously. His argument is that public enterprise reposes on a psychological basis far different from anything that can exist in private enterprise: in essence, the former fails for want of the incentive of private profit. Thus, says Mises, "No private enterprise will ever fall prey to bureaucratic methods of management if it is operated with the sole aim of making profit. It has already been pointed out that under the profit motive every industrial aggregate, no matter how big it may be, is in a position to organize its whole business and each part of it in such a way that the spirit of capitalist acquisitiveness permeates from top to bottom" (p. 64).

This is very familiar. It is to be found in Mises' compatriot, Friedrich A. Hayek, and he falls into the same fallacies. These are: (1) that, if the state becomes active, it cannot stop itself, but will become active everywhere, with complete "regimentation"; (2) that in the public service, since there is no profit which is a sum of money or other quantitative material which rewards success, there can be no measurement or economic calculation that will tell us how much of a thing is wanted, in what qualities, where, and how soon, and much more to this effect. This line of reasoning is postulated of man in general, *homo oeconomicus*, in spite of the millennial knowledge of psychology and the great advances made in recent years in applied psychology. It carries with it the assumption that all is for the economic best in the best of profit-making worlds. Millions declare it is not; and there is weight in their pained comments. For what does a profit really measure?

Mises (as well as Hayek) goes so far as to admit that there is at least one task proper to the state: to provide enough state bureaus (it could not be merely statutes, for they are never self-actuating) for the defense of perfectly free competition in society. It may be suggested that if this is really meant, and if all free competition be totally pursued, and the state regulates for it, it would be necessary to establish a public administration which, in its immensity, its profundity of controls, its numbers, its questionnaires, its forms, would be the most

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

towering and coercive apparatus of state activity known to man. Imagine the consequences of the regulation of society for the sake of completely free competition: as regards educational opportunity; the right to a career open to talents; the exploitation of inventions; the dispersion of monopolies, even those which are not made by written agreements but by a wink and a nod! Imagine the inspectorial arrangements made for the fulfillment of these objects! Mises does not believe that there should be no state activity, that is, no bureaucracy at all. He believes that there should be some. But he (as well as Hayek) never tells us exactly what bureaucracy there ought to be. We ought to be told. But, this is all that Mises says on this subject: "A government cannot do without bureaus and bureaucratic methods, and as social cooperation cannot work without a civil government, some amount of bureaucracy is indispensable." If Mises specified, he would *in petto* (and perhaps in a pet) concede a principle of state activity. Once he had conceded that there is case for absolute laissez faire, he would then be obliged to admit that the issue is not one of principle, but a matter of degree. He does not admit that in this present work; for, if he did, he would be thrown upon the wide sea of laborious inductive study. His work, in other words, is one of those in which a concept is made to struggle with an opposite concept, unquantitatively, unrefreshed by considerations of degree. It is either, or. It does not recognize what all political leaders recognize (if they are fanatical, then to their bitter disappointment): that mankind has a most damnable capacity for quarter, half, and three-quarter measures. Mankind never goes the whole hog, unless it is treated as a hog, laissez faire or communist.

The difficulty with the Mises and Hayek approach is that, instead of considering the term bureaucrat as a term which lights up the remediable failures of a public official, they look upon it as something which completely blacks him out. The public official is nothing other than a business man doing the business of the public, instead of a private employer's or the public's wishes directly expressed as consumers. Mises is thinking, not of Englishmen or Americans, here and now, but of abstractions. He postulates motivations of men which the men have not got, in the doctrinaire abstract conceptual way he describes it. He contrasts not operative systems but hostile concepts. There is another fallacy connected with this to which we turn in a moment. But, clearly, Mises cannot saddle the public official inescapably and irremediably with the deductive stigma of his own psychological premises, particularly when these are of economic man, and not English man or

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

American man. Mr. Juran, an engineer and a lawyer, who has held executive responsibility in business and government, also has his doubts about incentive in the government service; but he believes that it is not a fate but a problem, to which there are solutions. He discusses these.

If, therefore, there is state enterprise, we shall have officials; and even if they were entrusted with the whole field of state life consciously, it might be on terms which would still not destroy initiative or deny us our appeals and liberties. It depends on the measure, the degree, and, especially, it depends on the attitude of the public and the wisdom of parliamentary institutions. Of course, to Mr. Crider and Mr. Sullivan this is only a problem of "bright young men", "crackpots", "fertility"; that is, the alleged tendency of the bureaucrat to enhance his power and increase his numbers.

The third thing that is *not* bureaucracy is totalitarian government. Even the suggestion that it is is a most shocking and deplorable bogeyman produced especially by Mises (and Hayek). "On the other hand," says Mises, "we must realize that delegation of power is the main instrument of modern dictatorship. It is by virtue of delegation of power that Hitler and his Cabinet rule Germany"; consider also the implications of his chapter vi. But Nazism, fascism and communism did not arise out of the extension of state functions. The first arose out of an overthrow of a democracy for reasons of military revenge and cosmic misanthropic ambitions over the living but docile Germans with a secular repute for obsequiousness. The second came in a land with little state administration by reason of social disturbances after the last war, and the man-hating megalomania of power-lustful Mussolini and the weakness of other Italians. The third emerged from the overthrow of tsarism, one of the most bureaucratic and iniquitous tyrannies the world has ever known. The character of the new régimes is not bureaucracy, which is a rash, but an autocratic ethos. The logic of the ugly history of some part of Europe for a short time is no index to the logic of the future of other lands, with other manners, and, above all, composed of other men and women. If they do not wish autocracy, total or otherwise, and if it represented to them that autocracy (e. g., by technocrats or managers) will give them lots to eat, but destroy their liberties, they will accept only so much social progress, but preserve the degree and kind of freedom they want. Who can mistake the significance of the public debates, the advances and the hesitations, the compromises and exceptions being made at this moment in Great Britain regarding social security, the institutional achievement of full

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

employment, a state medical service, advanced educational provision, and still believe that it is a choice between either total laissez faire or the total autocratic state?

Finally, bureaucracy is *not* to be equated with the errors, the frustrations, the sacrifices and the misfortunes of wartime government. But to attribute to "bureaucracy" the inconvenience of price controls, the measures against inflation, and food rationing is a derisory misapplication of human reason. Mr. Sullivan indulges in it.

IV

If, then, bureaucracy is not the New Deal, nor state as distinguished from private enterprise, nor totalitarianism and the road to serfdom, nor wartime exigencies, what is it?

Bureaucracy is invective today as it was when first used in French administration in the eighteenth century. Today it is administration by bureaus of government officials who are abusing the function for which they were appointed; in the eighteenth century because they escaped responsibility to their monarch for their actions. Where officials have been clearly assigned a job, and there is a line of answerability, they may be still detested by some who prefer private enterprise. But where the sovereign authority of the land has consciously devolved a responsibility, there is no bureaucracy, though there may or may not be a reduction in the public welfare. If, however, the activity, the function, is abused, if power is taken without authority, or duties not fulfilled, or badly fulfilled, we may talk of "bureaucracy". Every occupation has its degeneration from competence and responsibility, the abuse of its power, the misuse or nonuse of the function assumed by or entrusted to it, as, for example, when a corporation destroys a rival by non-economic means, or suppresses an invention, or cheats a consumer.

What, then, are the occupational faults of public employees? And are the causes remediable?

The number of officials in the United States and Great Britain is very large and growing. It will continue to grow, corresponding to the social and economic policies advocated by even the least progressive of political parties. Who is *not* committed to sixty million jobs, and social security? This means that much discretion is vested in officials to develop the standards stated in the laws which give them authority and circumscribe its scope. Since those standards cannot be, or at least are not, set down in great detail (as parliaments are at present organized), discretion lies with officials, and it stretches necessarily to the everyday application of the law to the many publics which

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

make up the great public. Furthermore, officials participate in making the law, because they possess the knowledge upon which alone this can be satisfactorily founded, though they do not enact the law. They also judge disputes that arise between the public departments or agencies and noncompliant and protesting corporations or individuals or sometimes lesser governmental bodies. Officials may be "bureaucratic" in relation to these functions, where they are nonresponsible, where unwise action is taken, or where there is neglect to act at all. They must be given authority. (In general, a career service is essential in the interests of long-run efficiency, though in some cases efficiency may be furthered best by temporary appointment.) If they have authority they may do nothing or too little. Or they may do too much, in an excess of benevolent zeal: what is not authorized, or is regarded as abhorrent even if authorized, from the inefficient way of its performance.

What conditions in the public service promote such bureaucratic infirmities?

The first is the imposed limit on the official's authority. The official's enterprise, initiative and originality are limited by law. He cannot go out to get business exactly as he wishes. The law states what business he may do, and that is all. This induces caution and timidity. Mr. Juran emphasizes the "make-no-mistake-at-any-price" state of mind. The fault here is not exclusively that of the officials, but of that body which enacts the *law* in the form and in the temper that it does. The law-making body could make a very important contribution to the reduction of official timidity by the manner of its definition of the official's duty. A question of public relations is also involved. There are some things for which the public should not blame the official, for, in carrying out the law he is not making it. The public's expectations may not have been properly understood or defined by the legislators. Enterprise, "going out to get business", may come from officials in the form of suggestions for new laws, and officials should be heard, for they get to know a great deal; and advisory committees of the public, in its vocational groupings, are of help. But the making of new enterprise, the opening up of new paths of social venturing, is principally the responsibility of the legislative institutions, and their great auxiliaries, political parties and the *blocs*. Theirs is the duty of inventing and undertaking fresh social development. The dynamic element lies there. The official cannot help being shy of the law all the way down the line of departmental hierarchy. This is a problem of and for the departmental chief, for he can let subordinates have a

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

loose rein by himself covering their responsibility and lifting from them the full rigor of a potential error.

Secondly, and in a sense this is a continuation of the first idea, the public servant is properly answerable, continuously, to the legislature. As Mr. Juran says, he functions in a "gold-fish bowl"; and Mises, though grudgingly, recognizes that the official is not arbitrary. He admits that he is subject to the law and budgetary control. Mises' choice of phrase shows clearly that he could hardly have explored with any enthusiasm the continuous connections between departments and legislatures, for, secreted therein are to be found not only checks and balances, but vitality and spurs. The recognition that he serves this sovereign legislative Prospero makes of the official Caliban a being timid, perhaps evasive, unready to commit himself to a decision, a recommendation, or an action until responsibility for this is clearly unavoidable or shared with someone else. Too much responsibility induces paralysis of will. Mises argues that in private enterprise all such considerations do not matter, because each worker or employee will, by showing a personal profit or loss, cover all his actions, and be either rewarded or dismissed. But, in actual private enterprise, is it as easy as this? There is wide latitude between the maximum profit that could be produced, if everybody leapt at opportunities, and therefore responsibility, and the amount that actually is produced. This margin cannot be reduced to a quantitative estimate of the efficiency of the present holder of the job. Are abler competitors so easily come by? In the *St. Joseph Stockyards Case,* Justice Brandeis said: "Responsibility is the moulder of men's characters." He meant the exercise of authority. If the exercise of authority is attended with misunderstanding within the hierarchy of the department, and a scalp-hunting disposition in the Congress or the Commons, of course responsibility will degenerate into its diseased form, infirmity of purpose. It would be of some assistance to reduce the excessive use of bonding officials, a point stressed by Mr. Juran.

Thirdly, there is in the public service a lack of the sense of time. This does not refer to the vulgar belief, much paraded by Mr. Crider, that officials sit about waiting for work that never comes to their desks. In private enterprise, an order is given by a customer for production and delivery within a given time. Time is part of the commodity or service. In the public service, the sense of time depends very largely on parliament and the political chiefs of the government agencies. If these policy-determining bodies are slackly organized, directed by no consistent and determined will, officials are to that ex-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tent left to their own devices. They quickly and happily respond to a dead line, for they usually prefer activity to sluggishness, in spite of Messrs. Crider and Sullivan who believe that they seek a Capuan holiday, except for a sinister burst of activity when it comes to increasing their own numbers and building a skyscraper of self-aggrandizement. More dead lines, more "appointed days" in the public service, would mean less bureaucracy, that is, less slackness and complacency. Certain reforms and a change of mind, Mr. Juran rightly shows, can counteract the deficiency to which we refer. An administrative management group would "make continuing independent appraisals of the management content of his organization and give him recommendation for improvement" (p. 110), though the group would not interfere with execution of policy. That is, an interest in inaction and indecision would be counteracted by an intruder's interest in the attainment of results—a principle opposite to the classic " checks and balances ", viz., hesitations and propulsions. A developed Bureau of the Budget would make its appraisals, and, being interdepartmental, and securing change by command, would be especially valuable. Quantitative competition and rating of efficiency, as now with "E" certificates, would offer additional stimulus and incentive; and, above all, there is needed "management-mindedness as a creed".

A fourth quality of bureaucracy is interdepartmental friction. The necessary distribution of responsibility by departments, the very meticulousness of the concessions of responsibility, tend toward departmental jealousies and uncoöperativeness. Each has his job and wishes no one's else, unless it is better and he can have it altogether. This infirmity too is remediable by interdepartmental management controls and surveys, and especially by the roving eye and stern voice of the legislative master. One of the weaknesses of Mises' use of comparisons with private enterprise is that he does not stress as heavily as is justifiable the capitalist equivalent of interdepartmental jealousies and stultification. At a point, those in the public enterprise can be bridled and brought within bounds, but in private enterprise separatism takes on the aspect of private war at the expense of the total national welfare. It is of little use to minimize this, as Mises does, with the argument that separatism will cause profits to fall, and therefore cause the firms to reform themselves; for, since they are self-regarding, sometimes the profits of one firm can be made only as a result of the losses of another. Furthermore, noneconomic elements enter into economic competition. Mises never applies the teaching of the theory of marginal utility to the intensity of the competitive urge. The higher the profits already

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

made, surely the less (by all that Mises holds dear) the incentive to overcome disharmonies, and inefficient industrial and commercial practices. Only the public official, not the private business man, goes on working for what the latter elegantly calls "chicken feed".

Fifthly, the public officials are organized in a hierarchy. Authority is at the top, for at least one reason: to concentrate responsibility for the power devolved to the department, where the legislatures can discover it easily, promptly and unmistakably. Hierarchy tends to inhibit that elixir of administration, independence of mind, in all subordinates (though with individual variations). Mises goes to extremes regarding this aspect of bureaucracy. Indeed, he must needs deduce his conclusion from the hierarchy and discipline of the army. This tactic would not be illegitimate if he then acknowledged the qualifications which must be made to lend them relevance to civil administration, which is hardly so peremptory. Of course, where it is as urgent, then the principle of hierarchy is justifiable, and even justifies conversion from private to public management. And yet, there is no doubt a need for the encouragement of independence of mind by the chiefs of departments and divisions, a readiness to hear the truth, and not penalize the audacious, however humble the origins of dissent. Even in business it is difficult to tolerate the upstart, though his suggestions *may* produce a profit. What shall it profit the boss to banish the red from his accounts if it cost him the red blush on his face? Once again, we are confronted with a problem of recruitment, training and promotion, for it is perceptible that so much depends upon the chief. And, strangely, hardly a word is said on recruitment by the writers reviewed, with the exception of Mr. Crider, who manages to give "civil service" a questionable odor by emphasizing that it is a title to security of tenure, and so he calls it "protective coloration"! Indeed, also, very little distinction is made between the various levels of officials in the discussion of incentive and enterprise. Clearly, there is a distinction. Mr. Juran proposes rewards for suggestions, monetary and honorable mention, as encouragement for thinking and speaking out.

V

These, then, are the characteristic deficiencies of the public servant, which may make of him a bureaucrat. But, four other remarks are germane at this point. There is no doubt that here and there an official becomes arrogant, ill-tempered, unhelpful, peevish. If it be true that in some cases responsibility causes a man to grow, then in other cases it merely causes him to swell. There is nothing inherent in the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nature of public service to produce this; and the downfall of functionless pride must assuredly be swift. In monarchical antiquities like Mises' pre-1914 Austria and similar places, there may, however, have been snobbery and insolence of office. The matter is profoundly different in Anglo-Saxon countries. The writer does not wish to make a case of churlishness in private business. But what happens in a seller's market? Is not the salesman apt to be an unpleasant specimen of humanity? Once more we perceive that the comparison is not absolute, but a matter of degree. At a point, the private entrepreneur may become independent of his consumers; the public official never—well, hardly ever. Again, it is a favorite charge against officials that they seek to increase their numbers and expand their own authority. In general this is a shocking error. There may be, we must hope that there are, officials who believe that more things should be done by their bureaus, and that existing services should be better managed. They have a vital insight into the functioning of the governmental apparatus. The truth, rather, is a propensity to caution. Certain friends of governmental action, outside the services, are usually the advocates of more governmental enterprise, usually of one favorite branch of it to the exclusion of the rest. It is not the public official who seeks more power (which equals work and responsibilities), or more colleagues, or additional subordinates. Thirdly, as the years pass by, the official may become blasé and cynical, and infect with his diluted zeal the whole department. This, it is clear, is a parliamentary problem. But, one thing may be conceded: insufficient people are separated from the service at any age, before superannuation. This problem is the *pons asinorum* of the public service: not enough donkeys cross the bridge home. Fourthly, more especially in the United States, the cultivation of good public relations has probably gone beyond what is healthy for the public service or the service's public; for in place of information provision, the service tends to tout for praise, and even to believe that the echo of its own siren song is an independent tribute by the press.

Thus, the infirmities of public officials in the prosecution of their duties constitute the disease called bureaucracy. They are remediable, but not to the point of perfection. But private enterprise is not perfect either. Indeed, modern economic theory is a series of mathematical exercises in the imperfections of competition. There is evidence that Mises has read Juran's book, but not that he has given his mind to its recommendations, and that vast knowledge of applicable techniques and science upon which they are soundly based. Nor does Juran have

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the whole answer. Outside such matters as the measurement of efficiency, rewards, public honors for good work, efficiency experts, the Bureau of the Budget, time study, and the valuable rest, there are the vital issues of recruitment, selection and dismissal, of particular importance as regards the strategic high administrative posts. That Mises has not given serious consideration to the kind of proposals made by Juran (likewise neglected by Hayek) is symptomatic. They do not regard the problem of bureaucracy as a problem of bureaucracy, that is to say, as a comparison between the actual working results of one imperfect system of administration (the capitalist), run by imperfect capitalists and consumers, and an imperfect system of state enterprise run by imperfect officials. They compare two absolutes, in theory, that never were on land or sea, opposed to each other from the beginning; and, since their logic is vigorous, naturally ever more and more opposed as they proceed down the steepness of their deductive slide. They seem still to believe that there is a philosopher's stone to redeem men from the errors of being men so that they act unreally, in order to make their deductive laissez faire etchings seem real.

One last thing must be said to round off the discussion. The problem of bureaucracy, as has been suggested, is not a problem of the public offices alone. It is one that involves the three elements in the state: the bureaus, Congress, and the public. Each has its indispensable contribution to make, and the fulfillment of it by any two can be frustrated by the default of the third. Congress owes, above all, careful drafting of the laws so that responsibility may be clear and tasks defined. It owes a twentieth-century rationalization of its machinery and methods, so that it may survey, amply, patiently and thoughtfully, the work of millions of public producers. And, supremely, it owes to the Republic the deep sincere obligation of treating public servants as average business men and women working for their living in the business of the public. This implies a restraint of partisan injustice, spiteful sneers, and that the Congress conduct its necessary and desirable investigations not as operations of torment or self-righteous exhibitions of hatred and contempt, or invitations to the public to spit upon alleged sensational scandals. It is easy in a democracy to get the public to laugh away its political assets, and there is always someone to cheer the iconoclast. If Congressmen make a goat of public officials, they cut off democracy's right hand. An awful responsibility is incumbent on parliamentary institutions in this, the twentieth, century. Finally, the public has its duties. The consumer is sometimes wrong. It need not condone inefficiency; it ought to make complaints. It owes a self-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

control over spite and derision. It ought to hear both sides. It should not permits its legislators to cry out, "good hunting!" whenever they see a civil servant. To hate government, as Mises hates it, is useless, for government is necessary. And what is necessary should be sufficiently respected to encourage the invention and application of improvements.

Alexander Pope said:

> "For forms of government let fools contest;
> Whate'er is best administered is best."

To this we may rejoin:

> "Yet what is best must free men still decide,
> Lest leaders gull them, and officials ride."

The trouble with our era is not the Forgotten Man, but the Forgetful Man. It must be repeated: the problem of bureaucracy is a mixed, a threefold, problem. It is departmental; it is parliamentary; it is a problem of public interest and conscience. Deducing from concepts and traducing from prejudice cannot help to make these better instruments of our social destiny.

HERMAN FINER

HARVARD UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Economics of Control: Principles of Welfare Economics. By ABBA P. LERNER. New York, The Macmillan Co., 1944.—xxiv, 428 pp. $3.75.

The subtitle of Professor Lerner's book indicates only slightly better than the title the nature of its contents. The volume is a compound of an elementary exposition of the principles of a price system and a plea for some undefined economic system. For reasons which will soon become evident, these elements will be discussed separately.

The exposition of price theory is admirably lucid and penetrating. Attention is focused upon the logic and principles of competitive (optimum) pricing, and only rarely is the student diverted or confused by the customary embellishments of geometry, elasticities, and the like. The discussion is nevertheless adequately rigorous and consistent with accepted doctrine. At some points the author has exercised great ingenuity to bring out fundamental points, and the performance as a whole is first-rate.

Only two minor blemishes call for mention. The first is the heavy use of abbreviations, which invite formalism and repetition rather than confer brevity.[1] The second point is substantive: the "scientific" arguments (in chapter 3) for greater equality of distribution of income, which rest on an obsolete hedonism and a dubious probability theory, are as unconvincing as they are unnecessary.

In his preface Lerner says that he has abandoned orthodox socialism because it confuses abolition of property as a means with maintenance of democracy (and economic efficiency) as the end; hence the controlled economy: ". . . control does not necessarily mean collectivism. It suggests the deliberate application of whatever policy will best serve the social interest, without prejudging the issue between collective ownership and administration or some form of private enterprise" (p. viii). The emancipation is too complete. The orthodox socialist told us at least the general type of political and economic system he sought;

[1] The volume abounds in sentences such as: "Paying the same price for the factor as the government and selling the product at the same price as the government (which makes $vmp=vmf$), any firm that is less efficient will find its mpc (which is equal to vmf) greater than mpr (which is equal to vmp), so that it would gain (or reduce its loss) by reducing output" (p. 86).

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the reader must glean his picture of the controlled economy from vagrant observations and from corollaries of Lerner's theory. His fundamental rule for efficient production is that the value of the marginal product of a factor must equal the price of the factor. If this rule is not fulfilled, and under private enterprise it is fulfilled only in the competitive industries, the state must secure its realization by (i) socializing industries where competition is technologically impossible, and (ii) counterspeculation (roughly, clever price fixing) where many firms exist.

This picture is too vague: its details depend entirely upon the spirit in which the rules are to be applied. Every new product is produced for a time by a monopolist—will the industry quickly be socialized? If an industry is not *perfectly* competitive, will it be socialized? If such questions are answered affirmatively, soon the entire economy will be socialized. If the answers are in the negative, Lerner's position does not differ fundamentally (except with respect to fiscal policy) from that of the classical liberal.

Another consideration suggests that the correct interpretation is that Lerner is a classical liberal. He is wholly certain that central direction would require unattainable concentration of information and soon bog down into an inefficient, undemocratic bureaucracy (pp. 61 *et seq.*, 119). If numerous industries are socialized, however, such central direction must emerge on a large scale, although Lerner does not make this clear. The "managers" may be able to follow rules in routine conduct of their plants, but who will determine whether new firms should be opened? Intelligent decisions must obviously be made centrally, and just as obviously this central authority requires detailed knowledge of demands, techniques and resources (including ability of applicants for managerships) in all industries. If Lerner is consistent, he is a liberal.

But it is not at all clear that Lerner's views are consistent. In early chapters (7 and 15) it is pointed out that under certain conditions and simplifying assumptions competition is unstable; eventually this becomes the categorical statement that the tragic failure of the classical liberals was their failure to recognize "the tendency of perfect competition to destroy itself" (p. 354). If this be true, that omnipotent but not omniscient central board is back in control of the economy. When Lerner is discussing unemployment, the controlled economy virtually disappears and the collectivist economy becomes the efficient weapon, and the implications of functional finance are in the same direction. This is not the first time that an author of a book on eco-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

nomic policy has failed to state his position, but the practice seems to involve something of an oversight.

At least brief mention must also be made of Lerner's well-known scheme of functional finance, under which the maintenance of full employment and stable prices become the only objectives of fiscal policy. Functional finance has an attractive simplicity, but it is purchased at the high price of avoiding real problems. It is not shown that because of continuous deficits the consequent fear by business men of higher future taxes does not discourage private investment; it is merely argued that the fear is irrational and can be extirpated by even larger deficits. The ability of the central monetary authority to avoid both unemployment and inflation is not demonstrated. What statistical indices will guide the authority's policies, and precisely how will they be followed? How is unemployment in a variety of industries, but not in business generally, to be eliminated by fiscal means? Is the fundamental Anglo-Saxon tradition that spending and taxing must be directly controlled by elected representatives in order to maintain responsible government rendered obsolete by some unmentioned modern development?

Once an economist enters the terrain of policy he must be detailed and comprehensive in his analyses and proposals: it is essentially irresponsible to jump from a textbook on theory to Capitol Hill. There is more than a lawyer between classroom arithmetic and legislation, and more than a "manager" between legislation and the achievement of the ends listed in its preamble. A nonpolitical treatise on economic welfare is a Hamlet with only one gravedigger.

GEORGE J. STIGLER

UNIVERSITY OF MINNESOTA

The Sinews of Peace. By HERBERT FEIS. New York and London, Harper & Brothers, 1944.—xi, 271 pp. $2.50.

In this timely and scholarly volume Mr. Feis portrays with both clarity and courage the basic economic issues that must be taken into account if post-war responsibilities are not to be shirked.

Throughout the book Mr. Feis emphasizes the fact that the countries of the world, however diverse they may be in background and economic resources, and however grievously handicapped by the ravages of war, must nonetheless somehow "contrive to build between them an economic life that will nourish them all, and draw them together" (p.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

35). This need "for organized economic cooperation was too little understood by the victorious peoples or even by most of the leaders who designed the political structure of the League of Nations" (p. 23). It is not as easy to create and maintain peace as it was imagined in 1919. National policy, Mr. Feis reminds us, "is not shaped like a precious gem by some master cutter in awesome seclusion. It is wrought each day anew out of the conferences and controversies of the supporters of different views and interests" (p. 254).

No longer do the chief obstacles to the wealth of nations lie, Mr. Feis declares, in "the penury of Nature. The task has become one of devising and directing economic institutions" (p. 8). Increasingly, therefore, measures must be devised whereby countries may be able "both nationally and in concert, to control the rhythm of economic activity and correct flaws in the operation of their economic system" (p. 41).

No mere dreamer, no fanciful architect of Utopia, Mr. Feis sharply brings us back to reality by declaring that "countries are now resolved to remain reasonably free to choose at any time whatever method of international adjustment would best comport with their domestic activities" (p. 50); and, he adds, "there is no easy solution for this dilemma; no simple or rigid formula whereby countries may be brought to select the means of adjustment which fairly equate their own inconvenience and loss with those suffered by others" (p. 51). Nevertheless a reasonable reconciliation must be found between the requirements of each and the interests of all.

Following an examination of the essentials of international monetary arrangements which might prove both useful and acceptable in the early post-war period, Mr. Feis presents an appraisal of the monetary plans formulated at the Bretton Woods Conference. In this portion of the book the author subjects to penetrating analysis our American experience, subsequent to 1919, as an investor in foreign countries.

In his excellent chapter on the "Costs, Hazards and Benefits to the United States of Foreign Investment", the author reaches the carefully reasoned conclusion that "the use of huge foreign loans to support exports vastly beyond those that foreign nations will be able to pay for, or that we will permit them to pay for, even when their production and trade may be reestablished, will be a poor expedient" (p. 117). He adds that "our export trade . . . should be expressive primarily of the effective demand of other countries for our products, and not of our need to maintain employment" (p. 116). In short, if the Ameri-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can foreign investment program after the war is to be anything more than a measure of emergency assistance for our export industries and for foreign countries merely during the immediate post-war years, ways must be found to permit repayment. This naturally focuses attention upon the future of American imports.

It is at this point that Mr. Feis moves "into the real bottom sands of international economic life", as he phrases it (p. 151). He quite unequivocally declares that "the trade relations which a country maintains with others will ultimately shape, if not govern, all its other economic ties. . . . If trade grows sturdily all the other branches and tendrils of international economic life can thrive; if it withers they will all wither" (p. 151).

In casting about for a satisfactory American post-war trade policy, the author reminds us that such policy "must serve both our own interest and contribute to the recovery and tranquility of other countries" (p. 165). This by implication at least draws attention to the rôle of imports in the scheme of trade. Each country must afford others the opportunity to sell in its markets.

"The size of our import trade", Mr. Feis declares, "will ultimately determine the strength of all our other economic links with other countries. . . . If that trade is large and steady, our national income will be enlarged, our foreign investment could thrive, our undertakings in aviation, shipping and similar fields could prosper. . . . If on the contrary that trade is small and unsteady, we will acquire little or none of these benefits" (p. 167).

In his final chapter, Mr. Feis reminds us that with greatness so likewise great responsibilities have come to the United States. We cannot repudiate this great rôle which is now ours. We, and other peoples as well, will have learned during recent years "how the same growth of knowledge that promises abundance for all may bring destruction to all. . . . The emotions of these years, like a wind in the trees of a forest, are declaring that nations must learn to live together in peace" (p. 257).

The foregoing has the suspect qualities of a uniformly favorable review. To this charge the reviewer pleads guilty. He would make this extremely effective volume by Mr. Feis compulsory reading for all Congressmen and policy makers in the State Department and elsewhere.

THEODORE H. BOGGS

STANFORD UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

World Economic Development: Effects on Advanced Industrial Countries. By EUGENE STALEY. Montreal, International Labour Office, 1944. Studies and Reports, Series B (Economic Conditions), No. 36.—v, 218 pp. $1.75; 7s.

Dr. Staley's discussion of post-war trade policy takes full account of the political factors which affect international trade. It thus appears to the writer as having a more realistic and useful bearing on the kind of a post-war world we will have to live in than the recent attempts of Von Mises, Hayek, and others to rehabilitate laissez faire in world economics.

The approach represents such detailed treatment of practical issues that its theoretical side may be obscured for some readers. In fact the underlying assumptions are not discussed until near the end and then very briefly. Dr. Staley does not derive his criteria for world economic policy either from the classical equilibrium concepts or even primarily from his own contributions toward a richer and more comprehensive view of world equilibrium. The most distinctive feature of his theoretical viewpoint springs from an analysis of the possible political attitudes toward the fact of equilibrium. He recognizes the importance in world economic history of tendencies toward equilibrium and then considers the broad types of policy which national governments may adopt in relation to those tendencies.

The three attitudes identified by Dr. Staley are the laissez faire, the restrictionist and the adaptive. He quickly dismisses the first, possibly for the good reason that none of the great nations, including the United States, is committed to this attitude and no national government could expect to stay in office on that basis in the post-war period. Whether or not there will be government intervention in foreign trade is not the immediate issue. Every government will undertake some exercise of policy concerning the flow of imports and exports. At the very least each nation will be called upon to review the restrictions it now imposes on trade movements, whether these are laws of many years' standing, such as the protective tariff in the United States, or temporary aspects of wartime regulation such as export licensing.

The real issue of government policy, as posed by Dr. Staley, is between measures which seek to protect the existing industrial structure of a country against the impact of world economic development and another type of measure which accepts these changes as inevitable and tries to bring about the most effective adaptation to the change. The content of his book is to a very large extent made up of specific recom-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mendations illustrating this third attitude, which he calls adaptive adjustment. The analysis is presented from the viewpoint of the United States and other highly industrialized countries. In general he believes that economic development in the backward countries is to the advantage of the more advanced nations, provided they do not try to buck the trend. There are some dangers in the industrialization of China and India which did not arise in the development of sparsely settled areas such as North and South America. The author believes, however, that the advanced countries can meet these threats by intelligent planning and that they have nothing to gain by opposing the trend.

Students of foreign trade theory should be interested in his manner of utilizing the doctrine of comparative costs. Unlike Ricardo, who originally expounded this doctrine, Dr. Staley has no confidence that industries will automatically get sorted out among countries in accordance with comparative cost advantage. He does not think it likely that an inefficient industry will go out of business voluntarily because it cannot meet foreign competition. The more normal course, to judge by past experience, is for the members of such an industry to come to Congress for a protective tariff or other restrictions on imports. They would probably find small difficulty in rationalizing this appeal, pleading perhaps considerations of national defense rather than the infant industry argument.

One inference which may properly be drawn from this analysis is that tendencies toward equilibrium should be viewed as basic data for international planning rather than as a mechanism for maximizing human welfare without the exercise of intelligent foresight. Effective adaptation will require a high degree of flexibility and unity in effectuating the aims of public policy. A program of active adjustment to world trends will need the support of a well-informed electorate which understands that world economic development is the people's business.

WROE ALDERSON

PHILADELPHIA, PA.

War and Its Causes. By L. L. BERNARD. New York, Henry Holt and Company, 1944.—x, 479 pp. $4.25.

Dr. Bernard maintains that the causes of war are neither mysterious nor extraordinarily obscure. He believes that they are discoverable by means of patient research and that they are removable by ordinary means of human diligence and coöperative endeavor. It is not possible to abolish war, he feels, until its social phenomena have been reduced

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to a science and its causes have been isolated and rendered susceptible of intellectual definition.

In his first major section Dr. Bernard treats war as a social institution. He describes the varying conceptions of war and arrives at an all-purpose definition. He then handles types of wars, the evolution of warfare, the cult of militarism, changing attitudes toward war, the ideologies of war, the prediction of war, and the time and space distribution of wars. The second major section is devoted to a detailed analysis of the causes of war, with emphasis upon psychological, economic, political and cultural causes, population pressure, imperialism, and geopolitical and geographic factors.

The third section, concerning the future of war, is regrettably short, but it is a brilliant one. The final ten pages should be expanded into another volume. Here Dr. Bernard examines seven proposals for avoiding war in the future. In summary these may be listed as follows: (1) The Atlantic Charter and the Four Freedoms ("if we want these slogans to become an international reality, we should insist that they be written at once into their basic laws by every parliament . . . of our allies upon pain of our own withdrawal of aid"); (2) United States of Europe (desirable; we have given the model; it is Europe's task to achieve it); (3) A New League of Nations (there should be no major representation for the integral parts of the British Empire; there must be regularly constituted courts of arbitration to adjudicate disputes; a great international army is necessary; "let us pray for a miracle here"); (4) Union Now (not advisable; the United States would take over "world empire responsibilities without acquiring world empire resources and commercial perquisites"); (5) The United States as Enforcer of World Peace ("a harebrained enterprise"); (6) Abolition of Economic Imperialism (feasible, but little chance of acceptance); and (7) Allow Nature to Take Its Course (possible, but "human intelligence is capable of peaceful social planning"). Unfortunately, here and throughout the book the author's objectivity vanishes the minute he contemplates British imperialism, for which he has a deep and unscholarly dislike.

Dr. Bernard's encyclopedic work is so broad in scope that the cantankerous reviewer would be tempted to disagree with any number of basic concepts and to seek out errors of commission or omission. For example, he might object to the author's failure to include the Peace of God (989) and the Truce of God (1054) as evidence of the attitude of the medieval Church toward war. He might complain that Dr. Bernard's treatment of nationalism as a cause of war deserves more than three pages in a 479-page book. He might object to the author's

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

occasional lapses into the professional sociologist's jargon ("particularized analytical causes listed by opposites" and "negative application of the rationalistic theory of the causes of war"), unnecessary because Dr. Bernard is at his best when he writes simply and directly, without literary or scholarly flourishes.

But all this is unimportant. What is important is that this is a vital, thought-provoking, authoritative book. It shows an enormous background and knowledge. The planning and outlining are superb. The style is for the most part brisk and clear. The selection of quotations is keen and penetrating.

The United States is said to be spending currently on the war some 250 million dollars every twenty-four hours. Keeping this fantastic figure in mind, let us assume that a gifted academician at an American university becomes enthusiastic over the possibility of a thorough and scholarly analysis of one of the several hundred topics treated by Dr. Bernard, as, for example, "Tradition as a Source of War". If he were fortunate, the academician might receive a grant of several hundred dollars to help his research. And when, after years of painstaking labor, he brings his work to a reputable publisher, the chances are that he will be told that "it has no popular appeal; we are in business to make a profit" and "try one of the university presses." Valuable paper is needed for such "vital" cultural contributions as mystery novels and bedroom classics devoted to the scandals of the court of Charles II.

Yet, it is obvious that such studies as Dr. Bernard's volume are as critically needed as cancer research. American public opinion some day —perhaps in the twenty-first century—will demand that the study of war and its causes be given top priority as a matter of simple self-preservation for Americans as well as the entire human race. Only then will war as a scourge of mankind begin to take its correct place along with cannibalism as a stupid and outmoded practice of primitive men.

LOUIS L. SNYDER

THE CITY COLLEGE OF NEW YORK

The Liquidation of War Production. By A. D. H. KAPLAN. A Research Study of the Committee for Economic Development. New York and London, McGraw-Hill Book Company, Inc., 1944. —xv, 133 pp. $1.50.

Friends of the Committee for Economic Development will appreciate Dr. Kaplan's balanced analysis of important problems entailed by the liquidation of war production. Dr. Kaplan has selected, in the main,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

three topics, which are interrelated and require integrated policies: the cancellation of war contracts, the disposal of surplus supplies, and the disposition of war plant and equipment.

The criteria guiding the selection of firms which are to be exposed to cutbacks in the war program are well stated. It seems that Dr. Kaplan is inclined to prefer the retention of low-cost producers, at least during the war, although he does not make a definite recommendation to this effect. This would mean that the initial expansion of production for civilian use would be under the jurisdiction of the less efficient, high-cost producers. If this is to be the policy, it might be desirable to formulate a program designed to keep the sacrifices imposed thereby on the consumer in some proportion to the fiscal savings incurred by the arrangement. A program of this type would aim at preventing a situation where the high-cost producers set the tone of industrial price policies of the future, when they are joined by the low-cost producers in the production of goods for civilian use.

Domestically available surplus stockpiles in civilian lines are estimated to represent two months' normal consumption, although they include large overstocks of specific items. Their disposal will relieve inflationary pressure but may depress the markets for newly produced goods. In the reviewer's opinion it might be worth while to explore the opportunity for disposing of surplus stockpiles at reduced prices wherever the demand is sufficiently elastic. Such a procedure might weaken monopolistic positions and induce monopolists, at the reduced prices, to increase output beyond the level that would recommend itself at the higher prices.

At first glance, both the cancellation of war contracts and the disposal of surplus supplies are not directly productive of lasting effects on the economy. Both matters are bound to be settled within a reasonably short period of time. It is apparent, however, that the manner in which these problems are solved might be of considerable influence on the long run of economic affairs. Both can become powerful catalysts of prosperity or depression and thus set the stage for developments, especially in the realm of policy, of a more lasting impact.

More obvious is the direct, long-term significance of the disposition of war plant and equipment. Government outlay for new industrial capacity is 15 billion dollars. This figure compares with 39 billion dollars reported as the value of the private industrial plant in the 1939 census of the Bureau of Internal Revenue. Dr. Kaplan shows that the former figure represents an overvaluation and the latter an undervaluation, and that the government plant will probably amount to about

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

15 per cent of the effective post-war plant capacity. Twelve per cent of the government investment is in plants of 100 million dollars and up; 32 per cent (which includes the 12 per cent) is in plants of 50 million dollars and up. Thirty-one corporations (with their subsidiaries) operate 50 per cent of the government plant; 150 corporations operate 77 per cent. Dr. Kaplan discusses the social and economic aspects of the disposal process and analyzes alternative practices available for it. His recommendations, it is to be hoped, will stimulate further explorations of such methods for the disposition of war plants as will least accentuate the continued growth of monopoly power.

Although the technical problems dealt with in the volume do not easily lend themselves to dramatization, the book is written in a lively style and the presentation is well integrated and organized. Without attempting to settle all the great issues which the economic aftermath of the war will engender, Dr. Kaplan proves himself a competent and enlightened guide to the solution of intricate and controversial problems. The manifest consideration for the interest of the consumer which permeates this volume honors the author as well as the sponsoring organization.

HENRY W. SPIEGEL

DUQUESNE UNIVERSITY

Gold and the Gold Standard: The Story of Gold Money, Past, Present and Future. By EDWIN WALTER KEMMERER. New York and London, McGraw-Hill Book Company, Inc., 1944.—ix, 238 pp. $2.50.

This book, says the author in the "Prefatory Note" (p. v), "attempts to explain briefly the origin and history of gold money and of the gold standard, the fundamental principles of the gold standard, its defects and merits, and to outline a plan for a future international gold standard." It does precisely these things.

A listing of the captions of the eight chapters should give the reader a reasonably accurate picture of the scope and nature of the work: "The Place of Gold in the Money of Ancient and Medieval Times"; "Two Thousand Years of Gold Money in England"; "Gold Money and the Gold Standard in the United States Prior to the First World War"; "The Breakdown of the International Gold Standard—Its Recovery and Relapse"; "Characteristics of the Gold Standard"; "Varieties of the Gold Standard"; "The Balance Sheet of the Gold Standard—Its Merits and Defects"; and "The Monetary Standard of the Future".

This should be an exceedingly useful book for all concerned with the subjects treated. It is packed with usable information—with the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

background, principles and observations that are genuinely pertinent in the monetary field today—and yet it is relatively brief. In view of the great scope of the work, the deftness with which essentials have been sorted out of the voluminous literature and discussions on money and compressed into this lucid little book illustrates what a good craftsman can do in the field of practical scholarship. The writing shows fine perspective and the poise, mellowness and judiciousness of a man with unusually wide experience in both scholarship and the world of affairs.

If this book is widely read, as it should be, it should contribute much to the formation of an intelligent public opinion and in directing the steps that will be taken in rehabilitating our own and other monetary systems. It should prove a strong and salutary barrier against the flood of wild and unreliable monetary literature and discussions that has deluged this country in recent years.

One of the paradoxes of today is the fact that apparently the great majority of those who insist on calling themselves "internationalists" at the same time condemn a gold standard and advocate a managed inconvertible paper money system. Such people should read this new book by Kemmerer if for no other reason than to learn that the most international standard is gold and that the most national is paper or some other non-gold currency. "[One] . . . merit of the gold standard", says Kemmerer (p. 182), "is its *international character*, a merit of great importance, when internationalism will be struggling for dominance over narrow nationalism."

Kemmerer provides a multitude of wholesome and much-needed correctives to the loose talk that is going on in the monetary field these days. Furthermore, his book contains the guideposts in the monetary field which he believes should be followed in the future, and which, in the judgment of this reviewer, the United States and the world will follow if they are wise. He recommends a gold-coin, or gold-bullion, or gold-exchange standard, depending upon the country involved. He points out that the question of the monetary standard of the future is an international one and that its satisfactory solution demands a high degree of international coöperation, which should begin at once and continue indefinitely. He recommends an international bank with which the central banks of all gold-standard countries should be affiliated and to which they should contribute the necessary capital.

WALTER E. SPAHR

NEW YORK UNIVERSITY

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Foreign Policy Begins at Home. By JAMES P. WARBURG. New York, Harcourt, Brace and Company, 1944.—xii, 308 pp. $2.50.

The title of this book suggests its thesis, namely, "that what we are, here at home, conditions and determines what we do as a nation outside of our own borders; and conversely, that our relationships abroad influence and to a large extent determine what sort of society we are able to create at home." It is written with the conviction that "the future world, no matter how much we may desire to make it anew and better, can only grow out of an understanding of the old—and not only out of an understanding of where the old world went wrong, but why it went wrong." Furthermore, it is written in the belief that the free-enterprise system has become perverted in practice with the result that it has acquired the character of "runaway capitalism" which is the original cause of modern revolutionary trends, the germ of fascism at home, and the explanation largely of mistakes in our foreign policy abroad.

As is so often the case where the author starts with a thesis and tries to prove it by an appeal to history, it is history that suffers. Unfortunately, in the case of this book, the historical portion bulks so large that its inadequacies and shortcomings seriously affect the value of the whole. Roughly two thirds of the book deals with the history of our foreign relations. In view of the importance attached to this portion of the book by the author, as evidenced by his own words and his allocation of space, it is regrettable that it could not have been done in a more careful and judicious manner.

In his introduction and first six chapters, Mr. Warburg rightly emphasizes the interdependence of domestic and foreign policy. He also performs a useful service in stressing the close connection between American public policy, foreign or domestic, and the philosophy and conduct of individual citizens. His diagnosis of fascism, the causes giving rise to it and the ways to avoid it, is suggestive and on the whole convincing, though many would accord more weight to noneconomic factors. Fascism he regards as "primarily a disease of the economic system." Believing this, and also feeling that the war against fascism is just as important as the war of national survival, Mr. Warburg attaches great importance to the "domestic prerequisites of peace", the most important of which is effective control by the government, in the interest of economic justice, of the forces that make for "runaway capitalism".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But when he turns to history to support his conclusions, one is immediately conscious of a highly prejudiced approach, and a not too careful use and evaluation of historical facts. For example, his endeavor to place upon "runaway capitalism" responsibility for what, following Lippmann, he regards as our excessive foreign policy commitments leads him to make generalizations which are quite without historical foundation. Thus, he says (p. 65) with respect to our continental and foreign expansion of the period 1823 to 1899 that "industry wanted the additional outlets of foreign markets, and got them too through our policy of expansion." Further on, in a curious defense of Theodore Roosevelt, he says (p. 69), after referring to T. R.'s introduction of "the Square Deal", "thus he moved toward the elimination of what had caused a foreign policy of over-expansion." Apparently that did not include an attempt to eliminate himself! Mr. Warburg's indictment of our foreign policy during the period of "Republican reaction" is no doubt largely justified, but it is hardly accurate to say, speaking of the results of the Washington Conference (pp. 91-92), that we secured "a joint commitment from the Allied Powers to support the territorial integrity of China", and that under President Harding we "increased" our commitments in Asia.

The author's account of events leading up to World War II likewise seems colored to support his general thesis. Thus he dates the Hoare-Laval Agreement as October 1935, immediately following the Italian invasion of Ethiopia, and places it before the invocation of sanctions by the League of Nations. In his account of the German-Soviet Treaty of August 1939, he says (p. 148) that Molotoff waited until August 31 before ratifying the treaty to see whether Poland "would not at the last minute yield and permit Russian troops to come to her assistance." This seems a questionable interpretation of Molotoff's action in submitting the treaty to the Supreme Soviet for ratification on that date. Furthermore, in his account of Soviet-British negotiations no mention is made of the dilemma in which the British government was placed by the Soviet demands as regards the Baltic states and Poland. Even granting that the British were responsible for the failure of negotiations for a treaty, it seems a little inaccurate to blame Britain, as the author does (p. 157), for American anti-Soviet prejudice following the Soviet attack on Finland.

The concluding two chapters devoted to "Prospects for Peace" and "What We Can Do" contain many thought-provoking and useful suggestions for dealing with current and future problems. It is to be re-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gretted that the author did not find it possible to elaborate more fully the conclusions to which he has come. The value of this part of the book would have been considerably enhanced by a further development and application of the ideas presented, and there would, in the reviewer's opinion, have also been a considerable gain, not loss, from presenting the historical material in more condensed and more carefully thought out and integrated form. As the book stands, however, it should be a powerful and valuable stimulant to thinking regarding current issues of American foreign policy.

LELAND M. GOODRICH

WORLD PEACE FOUNDATION

Our Settlement with Germany. By H. N. BRAILSFORD. New York, The John Day Company, 1944.—viii, 160 pp. $1.75.

"If history has a meaning, if the adventure of human life has a purpose, it is that we should integrate into a good society the races and classes which jostle for pre-eminence and power" (p. 155). This general philosophy Brailsford applies to a consideration of the German problem. The result may best be stated in his own words: "The crime of the Nazis was that they denied our common humanity. One thing is more important than the settlement itself. It is that we should recover for mankind its obliterated and half-forgotten principles of social morality. It matters little whether we state them in Socialist or Christian terms. What matters is that we apply them, not merely to our friends but to our enemies of yesterday, and do it without delay" (p. 154).

The book is an elaboration of this thesis which, as stated, reveals at once the virtues and the weaknesses of its approach. Though an Englishman, Brailsford is no advocate of "muddling through" which has characterized so much of all shades of British thinking long after Britain could afford this luxury. Consistent socialist that he is, Brailsford attaches great importance to such factors as the structure of German society and the historical significance of this structure; on this point he renders valuable service by emphasizing some truths which are no less important for being elementary. His comments of the "marriage of steel and rye", on the rôle of the Social Democrats, on the Weimar Republic, are both acute and eminently sane. He therefore naturally places more hope for the future in the remolding of German society than in such schemes as are often somewhat thoughtlessly advocated: partitions, half-century occupations, reëducation by outsiders,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

etc. As he very rightly points out, any and all such things would be less important in the long run than will be the attitude of the present Allies toward Germany and toward each other after the lapse of some years.

Granting the necessity of some sort of restoration on the part of Germany for the harm she has inflicted, Brailsford, like many people of his generation, remains conditioned by the memory of his personal contacts with Imperial Germany. He lays his main stress on the fact that "what this sick nation needs is not a policeman but a psychiatrist" (p. 46). This is the common error of what may be described as the liberal psychological school. The chief fallacy of this approach lies in the assumption that a nation can be dealt with on the same level and with the same techniques as an individual. Unfortunate though it may be, nations evolve and learn, when they do, only as the result of a historical process. Even assuming the softest of treatments, German feelings and pride will inevitably suffer and will find ample cause on which grievances and self-pity can thrive. And it may also be pertinent to ask what would be the effects on the victims of German aggression of this solicitude for German feelings. If feelings are to be considered —and they should be—perhaps those of the victims should rate at least as equal in importance to those of the aggressor. This doubtless complicates the problem which would not exist if we were dealing with a world of saints instead of men. But that our world contains an uncomfortably large number of not even moderately good men, and that such men can rise to the seats of power, present-day Germany is perhaps the most convincing example.

Despite this criticism, the calm courage and sanity which set the tone of this book rank it among the better and more serious discussions of the German problem, one that in any case will well repay the reading.

René Albrecht-Carrié

Queens College

War Criminals: Their Prosecution and Punishment. By Sheldon Glueck. New York, Alfred A. Knopf, 1944.—viii, 250, xii pp. $3.00.

This book is the work of a Harvard professor on the warpath. In his "attempt to lay bare the major technical issues of law and polity involved" in any effort to punish war criminals, he speaks as a prosecutor rather than a judge. He is aware that the current demand for the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

punishment of "war criminals" is analgous to the earlier urge to "hang the Kaiser", and he devotes his considerable erudition to persuading his readers that the difficulties then encountered may now be overcome. The following are some of the difficulties considered:

1. Does the law of nations apply to individuals or only to states?
2. If there is a common law of nations applicable to crimes of individuals, how may such law be determined?
3. By whom and how would the proposed International Criminal Court be organized and staffed?
4. May "Chiefs of State" be made responsible to such a court?
5. May an individual be held responsible for acts ordered by the state to which he owes allegiance?
6. May a soldier be punished for acts ordered by his military superior?
7. How may the persons of the accused be secured, particularly if they are accorded asylum in neutral states?
8. What punishments might properly be imposed on those found guilty?

The mere listing of the problems discussed indicates both the scope of the book and the difficulties which have hitherto prevented the organization of any international court for the trial of individual offenders. Dr. Glueck believes, however, that the attempt should again be made, particularly as such a court might serve as the center around which an international order might be gradually established. If the Court is to function on the scale envisaged by Dr. Glueck, it would indeed require joint international action for many years to come. He believes that the Nazis alone "have committed many hundreds of thousands of crimes, largely murders, which have nothing to do with legitimate warfare." If to these crimes there be added those of the other Axis Powers, it would seem that the Court might function indefinitely, especially if, as he suggests, some of the accused might be fitted into some plan of "reformation and rehabilitation". Dr. Glueck's arguments are well reasoned and his proposals have a compelling grandeur. However, your reviewer cannot but doubt if the United Nations will ever accept such a major task as he has proposed, or if a treaty essential to its performance would be approved by the United States Senate. It goes without saying that this doubt reflects, not on the merits of the proposal, but on the likelihood of its realization.

GLENN E. HOOVER

MILLS COLLEGE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Omnipotent Government: The Rise of the Total State and Total War. By LUDWIG VON MISES. New Haven, Yale University Press, 1944.—x, 291 pp. $3.75.

In an étatist world, Professor von Mises clings lovingly to the pure doctrine of classical liberalism. If men had only maintained free trade and unfettered capitalism, they would be living in a world of peace and plenty. Instead, they chose policies of intervention and socialism, the inevitable outcome of which was economic chaos, intransigeant nationalism, expansion and war. "The étatist state must necessarily extend its territory to the utmost. The benefits it can grant to its citizens increases in proportion to its territory" (p. 94). The outcome is a universal crisis in western civilization. For the first time since the fall of the Roman Empire we face the prospect of a reduction rather than accumulation of available capital. The international division of labor is disintegrating. The consequences can be only decline of population and living standards.

This thesis Professor von Mises attempts to demonstrate mainly by an analysis of German politics in the last seventy-five years. He exonerates Romanticism, the Junkers, officers, big business and finance, and the middle classes in general from the charge of originating Nazism. Rather it came from the socialist intellectuals assisted by the pressure of the workers for state action to secure higher living standards. Lassalle was "the most eminent forerunner of Nazism" (p. 32). "The imperialism of the Axis is not a policy that grew out of the aims of an upper class. If we were to apply the spurious concepts of popular Marxism, we should have to style it labor imperialism" (pp. 5-6). Nor are the Nazis a small group who have imposed themselves on the great masses who follow them reluctantly. The policy of world domination had been adopted by all parties as long ago as the end of the last century. Even if the Communists had come into power, they, too, would have followed an aggressive policy. The Nazis won over other parties because they combined nationalism and socialism and were willing to follow through with militant nationalism to the logical and bitter end. When they are gone, there will still be no liberalism in Germany but only, in all probability, a dominant communism.

This seems to be the gist of Professor von Mises' analysis of German politics. Yet he is not wholly consistent in his explanation of the collapse of German liberalism and the triumph of étatist heresies. Sometimes he stresses the constitutional struggles of the sixties, sometimes the wrongheadedness of the intellectuals, sometimes the stupidity of the average man who was unable to comprehend the truths of liberal-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ism. In one place he seems to admit his inability to find any convincing explanation. "The fateful decision against free trade and peace in favor of nationalism and war is not open to historical explanation" (p. 235). It should be noted, too, that the argument often takes the form of assertion supported by very little concrete evidence.

Moreover, the base is too narrow to support the superstructure. The thesis of this book is of universal application, the evidence drawn mostly from German experience. Étatism takes many forms, and the democratic intervention of England, Sweden and the United States should be analyzed before general conclusions are reached about its catastrophic consequences.

The analysis is more likely to be fruitful if not made in that spirit of conscious intellectual superiority that pervades this work. Professor von Mises seems to despise the masses who could not appreciate the frigid beauties of economic liberalism and treats those intellectuals who spurned them as if they were both morally delinquent and feeble-minded. He reminds one of Dean Inge for whom, it was once said, history showed only "a thin line of truth stretching from St. Paul to the Dean of St. Paul's".

Like Dean Inge in swimming against the general current of ideas, he resembles him also in the power and penetration of his observations on many particular points. An excellent example is the chapter on "Peace Schemes" with its argument for a unitary form of organization in eastern Europe, its biting criticism of the countries of that area for their attitude toward each other and toward the western Powers, and its rather contemptuous disposal of the League of Nations.

This book is narrow and rigid in its whole conception. It dictates a prescription for our present discontents that even its author apparently does not expect to see applied. Translated from the realm of theory to the realities of politics it is essentially reactionary in its implications. Yet it is a major work, full of learning, powerful in construction, trenchant in style.

T. P. Peardon

Barnard College

The Gentlemen Talk of Peace. By William B. Ziff. New York, The Macmillan Co., 1944.—xii, 530 pp. $3.00.

Ziff's long, free-swinging catalogue of the world's ills should have been really titled "Gentleman Ziff's Ideas on International Relations and Peace Plans"; for the work is really an exciting review of the disturbing political and economic problems of the world (thirteen chapters),

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

followed by a section surveying various proposals for peace and offering the author's cure for the world's troubles (eight chapters).

Ziff's overview of world politics is worth while reading, for he is, on the whole, stimulating and suggestive; he has an ability to convey emotion with sincerity. When he deals with various peace proposals, he demonstrates his ability to present much information in a swift and readable narrative; but when he expounds his viewpoint on how to save the world from itself, he is positively naïve, offering us but a pretty piece of theorizing, in which he argues from major premises laid down by himself and complacently ignores the basic facts of international politics.

In general, Ziff wants to divide the world into five self-sustaining communities; each of the proposed commonwealths "would have all the attributes of the universal State and would be that State in miniature" (p. 506). Thus, "The Union of the West would consist of a unified North and South America, the British Isles, Iceland, Greenland, Australasia, and the islands of the Pacific south of Formosa and west of Borneo and Java" (p. 481). At no point does it occur to Ziff that Canada and Mexico and all the Latin American countries do not have the least intention now, or in the near future, even to consider such an idea—not to speak of the insurmountable obstacles which would be presented by the Constitution of the United States. The resolute dodging of these and many other problems involved in carrying out such a scheme in actual practice justifies the reviewer in not dealing with such gems as: "If the world were so redivided, the areas of agreement would become relatively simple and could be well defined. War between such Power Aggregates would not be inviting and would logically be resorted to only under the most extreme provocation. Under no stretch of the imagination could it result in a blitzkrieg victory or in any overwhelming material advantage to the victor" (p. 453).

Ziff has obviously acquired a smattering of geopolitics and does not seem to get tired of harping time and time again on the theme that "The small States are absurdly small and fantastically archaic in terms of any rational modern economy. They do not coincide with present-day economic or military logic. They are unequal in power and on the verge of utter exhaustion" (p. 459). This touch of Haushoferism suggests that wars and economic disturbances could be avoided if there were no small states and ignores the fact that World Wars I and II, as well as the Great Depression of 1929-31, were started by the greater nations and not by the smaller ones. (Ziff would do well to consult such studies as V. Raud, *The Smaller Nations in World's Economic*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Life, London, 1944.) In fact, Ziff gets all mixed up in his thesis. While he is all for doing away with small states and with national "independence" (p. 151), he also advocates that "the natural frontiers of Czechoslovakia should be restored", and that "Poland be compensated for the eastern lands which will be taken from her by the U. S. S. R." (p. 439).

But there is a modest degree of sound reasoning in Ziff's verbal gymnastics—that concerned with his plans for Germany. He would deprive the German people of both army and police, of all political rights, of industry and all sources of raw materials; he would amputate the Ruhr in the west and all land up to the Oder in the east, dismantle and remove all factories, close down all the universities, exile to Madagascar or Devil's Island all Nazi officials down to the smallest district functionaries (without their wives) and all professional army officers; he would also put the remaining Germans to work either as farmers at home or in work gangs rebuilding the Europe they have devastated.

Ziff states his view always interestingly, often eloquently. He, however, presents a mélange of history and political science and Utopianism —excellent ingredients when used in the right proportion. Unfortunately, Ziff's Utopianism does not mix or merge with the realities of world politics; at any rate, it is presented with a dashing disregard for probability.

JOSEPH S. ROUCEK

HOFSTRA COLLEGE
HEMPSTEAD, LONG ISLAND

Strategy of Peace. By HENRY M. WRISTON. Boston, World Peace Foundation, 1944.—vi, 159 pp. $1.00.

The author, the President of Brown University, says that the never-ceasing struggle in the world is between those nations and individuals who follow reason as a guide in their conduct, and those who do not. Peace and war are not events of final or determinative character, but are merely ephemeral processes in this struggle. Reason is always more powerful in the long run than arbitrary use of force, the results of which are inevitably irrational, unstable, and lead to further wars. History shows that the forces of reason were advancing until the closing decades of the nineteenth century. A widespread revolt against reason then began, however, and still continues. This revolt was led by German philosophers who attempted to substitute will for reason, and thus exaggerated the state and pure nationalism to a false position as the controller and object of all individual activity. The revolt

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

spread to the United States and other countries and has been supported by influential sociologists, philosophers, political scientists, economists and psychologists. They have attempted to ridicule reason and to substitute will, drives, tendencies, interests, habits and behaviorism. They have even attempted to attack the fundamental rules of reason necessary for security purposes which are plainly stated in the Constitution of the United States and which are essential to preserve the individual's freedom and right to live according to reason. Recent historical studies of the Constitution have attempted to analyze it falsely into a mere conflict or balancing of economic, social or other interests. Modern psychologists, by concentrating on the abnormal, have also put "under a false 'scientific' handicap" the higher emotions which supplement reason and foster moral insight.

German, Fascist, Communist and Japanese political and military leaders have put these false ideas into practice, and use them "to destroy the prestige of independent thinkers" and true scholarship, and to develop "mobs passionately attached to the symbols of the state, the party, the leader, ready to act with blind obedience" and "committed to ideologies which are quite different from ideas" (p. 45). The widespread disbelief in the power and validity of reason which has resulted from these false theories has had a harmful influence on the normal pursuit of reasonable national policies, including our own, and has tended to destroy the unity and coöperation of those seeking to guide national and personal conduct by reason. It has thus enabled the forces of unreason to gain a free hand, and is a fundamental cause of this war. "A return to passionate faith in reason", says Dr. Wriston, "would constitute an important step in winning the war and would prove even more vital in achieving a satisfactory and continuous peace" (p. 31). This, however, "will require a revolution in philosophic outlook" (p. 32). Uneconomic political obstacles, such as high protective tariffs, exchange controls, quotas and other restrictions, which interfere with the free flow of goods, are anachronisms surviving from eighteenth-century mercantilism and should be eliminated, because an "open door" policy would cause the wealth of all participants to grow and would result in greater interdependence among them that would supply a mutual interest in peaceful activity (p. 54). The distinction between "have" and "have not" nations would thus disappear.

The author reviews the foreign policy of the United States since its inception, and concludes that, with few exceptions, it has been based on reason, as distinguished from the force, power politics, and imperialism which have largely characterized, during the same period, the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

foreign policies of Great Britain (excepting while free trade was followed in the nineteenth century), Germany, France, Russia, Japan, the Netherlands, Spain, Portugal and Belgium. The United States has encouraged the establishment of democracies everywhere, and has centered "its energies upon the pacific settlement of disputes by mediation, arbitration, and the judicial process. From the Jay Treaty of 1794 through the Second Hague Conference of 1907, the United States led the other nations in these fields" (p. 116). From the facts stated by the author, the conclusion would follow that the United States should continue its foreign policy of reason, and of consequent peaceful settlement of international disputes by "the judicial process" (p. 116), by insisting that the proposal it made in 1907 at the Second Hague Conference be now adopted. That proposal was that an international court, like our Supreme Court, be created with judicial power over all disputes between nations. Dr. Wriston, however, does not draw this conclusion. He abruptly ends his book without having discussed any plan for international security or for peaceful settlement of disputes. He stops after stating the reasonable terms of a basic peace treaty and after announcing that our foreign policy of reason should continue to be expressed through our national government's diplomats. He says: "Diplomacy is not adequately appreciated . . . . There is no substitute for it; none should be sought" (p. 27). History shows, however, that anarchy, rather than order or reason, is a more accurate term to describe the international situation when each nation's diplomats remain free from coercion by rule of law in their efforts to advance the interests and security of their country.

JAMES W. RYAN

NEW YORK CITY

The Idea of Nationalism: A Study in Its Origins and Background. By HANS KOHN. New York, The Macmillan Co., 1944. —xii, 735 pp. $7.50.

Nationalism is undoubtedly the strongest social force of recent times. Innumerable wars, revolutions and crises during the past century and a half furnish irrefutable proof for this statement. Nevertheless, for a long time historians and sociologists made very little effort to understand the nature of this phenomenon. While some did little more than deplore its evil influence, others regarded it as a survival of the past which would soon lose its importance through the development of an international or supranational consciousness. When the spirit of nationalism not only persisted after the first World War but

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

grew stronger and more aggressive, various scholars began to study its historical development, psychological structure and sociological interrelations. Because of the complexity of the problems, however, most scholars restricted their studies to a specific nationality, a limited period or special problems. One of the very few who possessed the courage and diligence as well as the learning to take up the development of nationalism since ancient times is Professor Kohn. In *The Idea of Nationalism* he gives us the first volume of a two-volume work that promises to be the most comprehensive and incisive study of nationalism that has yet appeared in any language.

Nationalism, says the author, is a "state of mind permeating the majority of a people and claiming to permeate all its members; it recognizes the nation state as the ideal form of political organization and the nationality as the source of all creative and cultural energy and of economic well-being." This "state of mind" has not existed since the beginning of time, but is a development of more recent times. "As we understand it," Professor Kohn writes, "it is not older than the second half of the eighteenth century." With great skill and erudition he traces the gradual emergence of this state of mind from the time of the Hebrews and Greeks to the eve of the French Revolution. He reveals distinctive traits of nationalism in the ancient civilization of the Jews and shows how the "fierce nationalism" of the early period was later tempered by the teachings of the prophets. He portrays the consciousness of differentiation that characterized the citizens of the Greek city states, describes the universalism of the old and new Roman Empires, and traces the beginnings of cultural nationalism in the age of the Renaissance and the Reformation. Especially noteworthy is the author's treatment of the trend toward nationalism in the seventeenth and eighteenth centuries. The influence of the French philosophies, and especially of Rousseau, in stimulating a spirit of nationalism is carefully considered. No less scholarly and fair-minded is Dr. Kohn's treatment of the rise of a national spirit in Germany. More than this, he also depicts the genesis of nationalism in the American colonies in relation to the European ideas of the eighteenth century. Nor did the author content himself with generalizations. The contributions of each outstanding thinker are discussed in detail and the limits of his influence are clearly defined.

The Idea of Nationalism which is the result of twenty years of research and writing on the subject presents a wealth of interesting information, but it is by no means a book for the general reader. A person who lacks a knowledge of the historical background will get lost

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in the maze of details. Some idea of the scholarly nature of the book may be gained from the fact that the author has appended no less than 150 pages of source references and bibliographical notes, with copious quotations in Greek, Latin, French, German and Italian. Nevertheless, it is not a pedantic book. Students of history, political science and the humanities will find it indispensable for an understanding of the modern world. While some may wish that more emphasis had been placed on the economic background of nationalism, others may contend that more should have been made of folk literature as a source of *Volksgeist*. The book as it stands, however, is a model of erudition, scholarly interpretation and balanced judgment. After reading it one cannot but eagerly await the appearance of the second volume, titled *The Age of Nationalism: A Study in the Growth and Fulfilment of an Idea,* which, as outlined by the author, will deal with nationalism in the period since 1789. It may be interesting to note that Professor Kohn's views, based on his knowledge of the present age, are optimistic. He feels that we are living in the "evening of the historical day of nationalism" and that the spirit of nationalism will be transcended by a consciousness of human brotherhood.

ROBERT R. ERGANG

NEW YORK UNIVERSITY

British Colonial Theories, 1570-1850. By KLAUS E. KNORR. With a Foreword by H. A. Innis. Toronto, The University of Toronto Press, 1944.—xix, 429 pp. $4.00.

Great Britain is the greatest colonial Power in the world. The British Empire, with its independent Dominions (which are equal members of the British Commonwealth of Nations), dependencies and colonies of all types with varied forms of colonial administration, affords us the greatest working laboratory for students of government and political theories. What were the motive powers behind colonial expansion of Britain from its very inception? In the excellent study of *British Colonial Theories, 1570-1850,* Professor Knorr gives us a comprehensive answer to this question.

In the preface of the work the author makes it clear that "colonial arguments and theories referring to the particular cases of Ireland and India have been excluded from the present study." One finds, however, in footnotes and in the main text that references have been made to colonization in Ireland and to East Indian trade, because they were intimately connected with the very fundamentals of colonial imperialism—political, economic and religious.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The scope of this brilliant study can be understood from its contents. One will find systematic, superb and sober discussion of colonial policies of the mercantilists, physiocrats, utilitarians, free-traders, imperialists, anti-imperialists and neo-imperialists of our time. The author traces the threads of continuity in the evolution of modern economic imperialism, as characterized by colonial imperialism of Britain. Thus the volume affords to students an excellent theoretical and ideological background in the field of colonial economic policies, although historical aspects of the evolution of colonial administration have been regarded as beyond the scope of the work.

At the very outset it might be well to keep in mind that the spirit behind British colonial expansion was not substantially different from that of Spanish and Portuguese colonization which was an inspiration to the British adventure. It is interesting to note that, from the facts presented by Professor Knorr, one can establish that conscious efforts for the extension of power of the state, economic gain of the ruling and trading classes, and religious ardor or the so-called civilizing mission intimately related with the profit system were the foundations of all colonial enterprises, with the minor exception of population movements by groups seeking greater opportunities. For instance, George Popham in a letter to James I in favor of English colonies in America gave vent to the prevailing basic idea on the subject: "they [colonies] seem to redound to the glory of God, the greatness of your Majesty, and the utility of the Britons."

The conception of the state system and international commerce, which stimulated colonial expansion, was in practice aggressive and devoid of the ideal of the common good of man. Thus behind colonial expansion was rivalry between states for "both power and wealth". To sustain a state's power in competition with its rivals, colonies as a means to secure bases for the command of the seas, control of raw materials, control of means of communications for furtherance of trade, markets and larger population were regarded as necessities. In this respect colonial theories of earlier days were not so very different from the spirit behind modern imperialism, with tinges of liberalism and humanitarianism.

It is also interesting to note that the idea and practice of the present-day Imperial preference within the British Empire have their roots in the demand for absolute free trade within the Empire and strict reciprocity among nations, as was advocated during the middle of the nineteenth century. For instance, Torrens advocated that colonies should be regarded as integral portions of the United Kingdom and *intra-imperial*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

trade placed upon the footing of a home trade. This idea of a *Zollverein* within the Empire was advocated in 1848 by Lord Elgin, writing to Lord Grey: "There is something captivating in the project of forming all the parts of this vast British Empire into one Zollverein with free interchange of commodities between its members, and uniform duties against the World without . . ."

In early colonial expansion, the slave trade and the colonization of criminals were used as projects to augment the "wealth and power" of the state; and these systems were abandoned for more enlightened methods more for economic reasons than for humanitarianism. Exploitation of colonial peoples in Asia and Africa has been an indispensable factor in colonial imperalism. We now hear about the theory of "serving the interests of the colonial peoples", the trusteeship of the Empire. It may be well to remember that saving the souls of the heathen and bearing the white man's burden and other slogans were used in the past; but the motive of "power and profit" still dominates the British colonial policies in general and in their application to the so-called backward peoples not possessing the rights of self-government as enjoyed by the dominions.

TARAKNATH DAS

COLLEGE OF THE CITY OF NEW YORK

The Real Soviet Russia. By DAVID J. DALLIN. Translated by Joseph Shaplen. New Haven, Yale University Press, 1944.—x, 260 pp. $3.50.

This is a vastly informative and, with some reservations, a very useful book. Mr. Dallin is properly aroused by the innumerable unwarranted generalizations and distortions of fact, common in the current discussion of the U. S. S. R., particularly by the popular theory that there is a great similarity in the political, social and economic structures of the Soviet Union and of the United States. His opening chapter offers a highly diverting selection of such erroneous assertions which, he wittily remarks, "would justify the Russian people in exclaiming in horror, as do the Indians in a certain operetta, when Columbus comes ashore, 'Woe to us, we are discovered!'"

Mr. Dallin touches on many aspects of the Soviet scene but he is particularly concerned with the objects and methods of Moscow's policies in which he discerns a greater degree of continuity and inner consistency than is usually granted. "The differences between Stalinism and Trotskyism are vastly exaggerated in the public mind. . .",

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

writes Mr. Dallin. "The inspiration of many of the achievements of the Soviet Government in the past ten or fifteen years came from the arsenal of Trotskyism." The compact and closely reasoned chapters on Soviet religious and foreign policy deserve particular attention. Mr. Dallin's major contribution, however, is his analysis of the Russian social structure: the intelligentsia which forms the new upper class, the workers and the peasants. Forced labor, the author holds, plays in Soviet economy a much greater part than is commonly believed. He winds up his study with an enlightening discussion of the Communist Party and of the Red Army, with special emphasis on the relationship between the armed forces and the secret police. Mr. Dallin's general approach is critical; his investigation leads him to the conclusion that powerful social forces, inimical to the Stalin dictatorship, are in the process of formation and that the possibility of important political and economic changes after the war is not excluded, although he does not, of course, anticipate the restoration of the pre-revolutionary order. Many of Mr. Dallin's pages display the realism and keen insight of *Russia's Iron Age* by W. H. Chamberlin to whom he pays a warm tribute.

The usefulness of the book, in the reviewer's opinion, is somewhat impaired by a tendency toward excessive dogmatism unwarranted by the avowedly inadequate nature of available evidence, and also by a reluctance to make allowance for errors of judgment on the part of Soviet leaders. Mr. Dallin would seem to believe that many of the unfortunate consequences of Soviet policies he so well describes were not only foreseen but, indeed, premeditated by the Kremlin. "Soviet policy in the war period represents a harmonious whole", writes Mr. Dallin. "It reflects a unity of military policy, internal and external. All parts are harmonized, each complements the other." This surely is too broad a statement, one that cannot be proved about any country, especially in wartime. It is undoubtedly an exaggeration to say, as Mr. Dallin does, that the Soviets have developed "hierarchical forms known only to medieval feudal society" or that "the class of forced labor is as essential to Soviet economy as are free workers, collectivized peasants, and state employees." These and similar overstatements are the more regrettable because they tend to detract from the value of a study which contains so much reliable up-to-date information, common sense and good judgment. Mr. Dallin is right, for instance, when he says that "the Church does not play a great rôle in the social life of Russia today", and, again, that "both in Russia and abroad there is

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

an inclination to exaggerate the 'meaning of the war' in the psychology of the soldier mass. Are the millions of German soldiers really anxious to die for the ideas of National Socialism? . . . The period of great military victories in Russian history was the end of the eighteenth century. . . . This was precisely the worst period of cruel serfdom. . . . But those peasant serfs, humiliated and tortured at home, displayed marvels of heroism when mobilized in the army. There is no parallel between the state of the people's welfare and its heroism in war."

MICHAEL T. FLORINSKY

COLUMBIA UNIVERISTY

The Scandinavian Countries, 1720-1865. By B. J. HOVDE. Boston, Chapman & Grimes, 1943.—2 volumes. 823 pp. $10.00.

Dr. Hovde's two volumes—the pages are consecutively numbered, the second volume beginning with page 435—represent probably the most ambitious work so far written by an American in the general field of modern Scandinavian history. They carry the subtitle "The Rise of the Middle Classes", and the Preface suggests that the author will later continue the story from 1865 down to the present. Even if Dr. Hovde's plan should not be carried out in full, the labor that has gone into the making of these two volumes will have earned the author a conspicuous place among American contributors to Scandinavian historiography.

Dr. Hovde was faced with a difficult problem in organization. It is clear that in writing on the Scandinavian peoples, whose internal histories do after all present a good many divergencies, the chronological or topical versus country by country approach posed a nice question. On the whole, the solution chosen appears a happy one. His approach is primarily topical. Industry and trade, agriculture, the rise of middle-class culture, intellectual trends and the arts, religion and the church, philosophy, political developments, labor, public health, humanitarian movements and reform, and education in the daily life of the people are included. The canvas is thus broad enough to make room for a many-sided picture. The story is told in twenty-one chapters built on materials the extent of which is suggested by nearly forty pages of notes. While a spot check suggests that some recent Scandinavian materials have not been used—the book was written, in fact, before the beginning of the present war—there is no doubt but that Dr. Hovde has drawn upon an impressive list especially of Norwegian, Swedish and Danish works.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

While the book is well written, interesting and amply repays careful study, it invites reflections that challenge part of the author's approach to his subject. For instance, Sweden is treated almost wholly in terms of her boundaries since 1809, despite the fact that, for all but fifty-six years of the period covered, Finland was an integral part of the Kingdom. To write of Sweden between 1720 and 1809 as if the Kingdom did not extend beyond Tornea and the Gulf of Bothnia is to neglect a fact the consequences of which were felt in certain aspects of Sweden's development even after 1809. The map on the jacket unfortunately serves to accent this misleading limitation of the area covered by Sweden before 1809.

Another aspect of this history which raises doubts is the basis on which the author has, in part, chosen the chronological limits of his study. It is clear, as the author disarmingly says (I, p. 8), that the dates bracketing these two volumes are somewhat arbitrary. In explaining 1865 as the terminal point of the story he says, in referring to political life in Scandinavia, that "by 1865 it was preponderantly democratic." The idea suggested is that this circumstance justifies, among other things, the selection of the year 1865 as the close of the survey. However, unless "democratic" is used in a very loose sense, this statement is meaningless. The fact is that at that time Scandinavia was far from "preponderantly democratic." The reviewer has the uneasy feeling that in this matter as well as in some others (the rise of an industrial, capitalistic economy, for example) the author has tended to "force" the rate of development in the Scandinavian countries. This tendency, one is tempted to suggest, grows out of his inclination to apply too freely to this part of Europe an idiom which historians use, say, with respect to Great Britain, but which is at times pretentious and misleading when applied to Scandinavia.

Some of the detail likewise invites a note of dissent. For instance, to speak of Johan Ludvig Runeberg as a champion of "self-reliant democracy" (II, p. 474) and to say nothing of his enormous influence on the growth of nationalism in his country spells a sin of commission and of omission. Louis de Geer as a leader of Riksdag reform can hardly be characterized simply as a Manchester liberal and a man "not burdened with academic fears", who suffered "from few traditional social inhibitions" (II, p. 534); his *Minnen*, cited by the author, furnish little justification for such characterization. And at least two of the sources used by Dr. Hovde do not fully support his statement (II, p. 535) regarding the Swedish *Skarpskytterorelsen* after 1860 to

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the effect that "the connection between the civil war and military movements was too apparent to be ignored." The implication here is that the "volunteer national guard" (the term is not a happy translation of the Swedish original) carried the threat of possible revolt. De Geer furnishes no basis for this implication, and Hallendorff is of the opinion that the movement had no real importance in bringing de Geer to push through the measure of 1865.

JOHN H. WUORINEN

China Enters the Machine Age: A Study of Labor in Chinese War Industry. By KUO-HENG SHIH, with a supplementary chapter by JU-K'ANG T'IEN. Edited and translated by Hsiao-tung Fei and Francis L. K. Hsu. Cambridge, Harvard University Press, in cooperation with Institute of Pacific Relations, 1944.—xxiv, 206 pp. $2.50.

China's Wartime Politics, 1937-1944. By LAWRENCE K. ROSINGER. Princeton, Princeton University Press, under the auspices of the Institute of Pacific Relations, 1944.—viii, 133 pp. $2.00.

It is generally assumed that in the post-war period China will experience a major and a rapid movement toward industrialization. The purely material, physical handicaps in which this movement will be forced to operate are already fairly well known. China's lack of capital, of adequate transportation, of highly trained technical personnel have all been stressed, and plans are at least in the blueprint stage for meeting these initial obstacles. Much less is known of the social and cultural consequences which are and will be involved as China moves into the industrial age. Indeed it would seem reasonable to predict that these consequences are likely to be far more disturbing to Chinese of the coming generation than the question of how to acquire capital, railroads and trained engineers.

During recent years, the Yenching-Yunnan Station for Sociological Research, a joint institute of Yenching University and the National Yunnan University, has been conducting a series of investigations of social changes in Yunnan province. These changes are operating against a background of infant industry stimulated by war conditions. The study by Professor Shih is one of a series. It is an intensive analysis of a factory in Free China, and in particular of the social, cultural effects which follow when peasants move from farm to factory. Professor Shih, who lived in this factory gathering his data at first hand, seeks answers to a number of questions: What people become

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

factory laborers in interior China? What are the ambitions of workers now employed in these factories? What are the peculiar problems between management and labor? Do present conditions throw any light on the future position and problems of industrial labor and management in China?

Admitting that arbitrary general conclusions cannot be drawn from one case study of this type, it is to be noted that Professor Shih's conclusions reinforce those already held by historians. In the author's words: ". . . the troubles we have studied in the factory take their rise in a common basic source, the conflict between Chinese tradition and a modern organization of industry mainly copied from the West." From this there follows a second fundamental conclusion that "The mere transplantation of Western industrial methods into China will certainly fail even if technically successful." Professor Shih is to be complimented on this excellent, thoughtful and restrained study.

Mr. Rosinger's account of *China's Wartime Politics* is a brief but clear and well-balanced narrative. After presenting a summary background on the development of Chinese nationalism, he discusses in sixty pages of text: the nature of China's new unity, the guerrilla warfare conducted behind the Japanese lines, Wang Ching-wei and the peace party, other rifts in Chinese unity, the wartime organization and personnel in Chungking, the position of Chiang Kai-shek and the Kuomintang, the People's Political Council, the relation of Chungking with the provinces, and finally the constitutional movement. Those who seek greater insight into the problems of contemporary China will find that both of these studies repay careful reading.

Paul H. Clyde

Duke University

Woodrow Wilson and the Lost Peace. By Thomas A. Bailey. New York, The Macmillan Co., 1944.—xiii, 381 pp. $3.00.

Professor Bailey of Stanford University has already commended himself to the academic profession with his readable and very teachable *Diplomatic History of the American People* (1940) and now in this detailed critical analysis of the making of the peace following World War I he makes a bid for a somewhat larger popular audience. In warm agreement with Sumner Welles that "only an enlightened public opinion can be held responsible for its mistakes" and sharing also his faith that the golden hopes of 1919 need never have become "might have beens", Bailey writes in the hope that we may not again run

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

through what he calls " the same tragic cycle of disillusionment and isolationism ".

The author makes no claim to original research, and the facts upon which his interpretation rests have been for a decade or two the common property not only of students in this field but in large measure of a considerable number of the more enlightened members of the body politic. But even known facts slip easily into the background of our minds and when recalled may often assume a new importance if marshaled in logical fashion and reinterpreted in the light of new occasions. This is the major contribution which this volume aims to make.

The leadership of Woodrow Wilson furnishes its main theme, and though the author confesses both admiration for and sympathy with the aims and ideals of President Wilson he feels the necessity of building up in overwhelmingly cumulative fashion the mistakes of Wilson which go a long way in explaining the failure of his plan. Phrases such as " Wilson's first great mistake ", " Wilson's most costly error ", " two far-reaching mistakes ", and " a fighting but indiscreet Wilson " appear over and over again, and though the particular references may appear sound the sum total of the long list will be felt by strong friends of Wilson's to present an exaggerated and unconvincing picture. Concerning specific items in this catalogue of errors colleagues of Wilson's and historians of the period will differ sharply. The validity of the assumption that the peace was lost at Versailles has itself been questioned. Yet after making allowance for the conflict of opinion which must inevitably surround a topic of this magnitude, the essential soundness of Bailey's scholarship remains. His volume furnishes what is certainly in some measure a good counterweight for studies in this field which have tended to free Wilson from most or all of the blame for the shortcomings of the Treaty of Versailles and its unfavorable reception in the United States.

Most timely are the closing pages of the last chapter with their concise suggestions for the treaty-makers of the future. A V-12 student reviewing them the other day was heard to remark, " old stuff ", and so in a sense they are, but still far from realization, and still demanding much thought and much concerted effort if any major expression of the spirit they represent is to find implementation in the making of tomorrow's peace.

ALLEN R. FOLEY

DARTMOUTH COLLEGE

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Global Politics. Edited by RUSSELL H. FITZGIBBON. Berkeley and Los Angeles, University of California Press, 1944.—xii, 189 pp. $2.50.

During the summer of 1942, the University of California organized an Institute of Political Geography at Los Angeles. In twelve lectures, in four days, an attempt was made to cover "the Americas, the Pacific area and the Middle East, and Europe". *Global Politics* is an unrevised version of these papers—two years after. It can be stated that some of them have successfully passed the test of time and make interesting reading in spite of the fact that the very fundamentals of global politics have since been shaken.

In a way, it is significant to note that of the eleven members of the Institute of Political Geography only one is a geographer; nine are historians or political scientists and one is a mathematician and astronomer. This is not incidental. It illustrates the fact that, until recently, geography has been a stepchild of academic life in America. So far as political geography is concerned, this neglect has been typical even of many geographers. It is, therefore, not surprising to find the geographers outnumbered badly in a conference which was to deal with new aspects of political geography. This would not have happened in 1944 or 1945. We all know how much the interest in geography has increased in recent years; this is to a considerable extent due to workshops in our universities and colleges like the Institute held in Los Angeles in 1942. The "inevitable marriage between political geography and international relations", over which the editor of this symposium rejoices, may thus produce in time a well-equipped battalion for the battle of the peace.

The large majority of political scientists and historians at the Los Angeles conference accounts for the fact that many of the papers fail to pay sufficient attention to geographic factors in the appraisal of international politics. Natural exceptions are the illuminating articles by the lonely geographer, Jan O. M. Broek, on "War and Postwar Problems of the Netherlands Indies" and "The German School of Geopolitics". Also the excellent papers by A. Lobanov-Rostovsky, "The New Map of Europe", and by the editor, Russell H. Fitzgibbon, "Union in the Americas", show exactly how factors of geography and of history and political science must be blended in order to arrive at a sound politico-geographical analysis.

The remaining essays are on "The Relation between Geography and Politics" by H. A. Steiner, "The United Nations as the Nucleus of

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

World Organization" by C. H. Thurber, "Latin-American Boundary Controversies" by D. W. Rowland, "The Coming Order in Eastern Asia" by Yu-Shan Han, "Indian Nationalism" by F. J. Klingberg, "Economic Problems of the Planned Central Europe" by V. Kybal, and "The Geopolitical Relationship of Canada to the Rest of the World", by D. Buchanan. Incidentally, this last named paper should be compared with Griffith Taylor's visionary study on *Canada's Rôle in Geopolitics* (1943) which shows how much a geographer's viewpoint and background can clarify political and economic problems. The book closes with a completely outdated bibliography of political geography (7 pages).

As indicated by their titles, the papers are loosely knit. The selection of the topics seems to have been left to the lecturers and no attempt at coördination was made. Yet it is gratifying to state that a unifying bond is clearly visible. All members of the Los Angeles conference are outspoken in their rebuttal of isolationism and of post-war solutions based on concepts of imperialism and colonialism.

HANS W. WEIGERT

CARLETON COLLEGE

Parliamentary Representation. By J. F. S. Ross. New Haven, Yale University Press, 1944.—245 pp. $3.00.

The House of Commons, which has been in continuous existence for some seven hundred years, is still in need of further improvement according to the author of this brief but closely packed volume. Mr. Ross is concerned only with the personnel of the House of Commons —its present character and the means by which it can be made a more accurate register of public opinion.

A statistical analysis, confined to the parliaments since the first World War, indicates that all is not well. The educational background of the members shows an excess of public-school men and graduates of Oxford and Cambridge. One in seven of all members was an old Etonian, though Eton would be entitled to but one fifth of a member on the basis of its output. Mr. Ross believes that his analysis might justify the name public-school party for the Conservatives, and elementary-school party for the Laborites. There is, also, a large over-representation, so far as occupations go, of lawyers, journalists, company directors, and trade-union officials—a group the author dubs the "talking classes". He finds, too, that the titled families are strongly entrenched in the House of Commons, though the actual holders of titles are, naturally, in the House of Lords. Some two fifths of the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

total membership of the Commons is composed of the "titled-family element". Party strength in this period is analyzed election by election. It appears that elections are "huge gambles", with an undeserved bonus going to the stronger parties. In the general election of 1935, for instance, the Conservatives had 91 more members than they deserved and Labor was 78 short of its rightful quota. Throughout the period, the Liberals were consistently unrepresented.

Various remedies are suggested. The payment of reasonable election expenses by the Exchequer would prevent the virtual sale of safe seats in the Conservative Party and the subsidizing of Labor members by particular trade unions. The increase of salary to £1,000 would also aid those now incapable of running for office; this seems modest enough as it would be but half that paid a member of our House of Representatives. The major suggestions are the abolition of the present plural voting, and an end to single-member constituencies. Mr. Ross would set up natural units of population, providing an average of five members each, in order to give minorities in the districts a better chance of representation. The author proposes the use of the single transferable vote.

The volume is a closely argued case for reform, well packed with data and analysis. One wonders, at times, whether the author wants the "average" person to represent the public rather than those with qualities of leadership and public service, and whether it is possible to limit the prominence of the "talking classes" by any device. Is not the overrepresentation of wealth and privilege inherent in the general structure of society and the traditions that so strongly color British public life? It was not in 1295 but in the next century that the British Parliament first met as two houses. This study has much of interest and relevance for those in the United States who might wish for a more effective representation in Washington.

HOWARD ROBINSON

OBERLIN COLLEGE

The Land Divided: A History of the Panama Canal and Other Isthmian Canal Projects. By GERSTLE MACK. New York, Alfred A. Knopf, 1944.—xv, 650, xxxiv pp. $6.00.

Gerstle Mack first became interested in the scandals which accompanied the collapse of the French Panama Canal venture. This interest led him to a study of the whole subject of the canal idea. The result of his reading is set forth in a popularized volume under the title of *The Land Divided* which covers the story from the earliest conceptions

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of the possibility of an interoceanic communication to the achievement of this desired result through the construction and operation of the Panama Canal. In general each chapter is based on a secondary source and gives a relatively brief sketch of the topic under discussion.

Part I deals with the Spanish Era relating the commonly known facts regarding the search for a strait and the developments in the isthmian area down through the eighteenth century. Part II is entitled "The Battle of the Routes". It treats of the efforts, proposals and projects to solve the problem by the construction of a canal along the various proposed routes. Panama is discussed down to the beginning of the French effort, Nicaragua to the close of the nineteenth century, and the full account is given regarding Tehuantepec, Atrato, Darién, San Blas and Chiriquí. These two parts comprise about half the volume.

Parts III and IV, under the titles "The French Era" and "The American Era", give the account of the trials and achievements which resulted in the Panama Canal. The first of these parts presents a summary account of the French efforts and accomplishments. But it should be noted that because of the author's first interest in the subject, the matter of the scandals is greatly stressed. In the treatment numerous French sources have been used for the first time. The magnitude of the French failure is emphasized. The final part describes briefly the elimination of Nicaragua, the American negotiations with Colombia and the French company, the revolution in Panama, the final arrangements for construction, the organization of the work, the technical, labor, health and other problems, the tolls controversy and the final placing of the canal in operation. There is an extensive bibliography, and many most excellent illustrations and maps. Although the book brings together the general facts regarding the entire history of the dreams and achievements in relation to an interoceanic waterway, and gives considerable detail regarding Panama, it lacks the characteristics of other outstanding volumes. It is not as lively and fascinating as Bunau Varilla's *Panama: The Creation, Destruction and Resurrection.* It is not as factual and complete regarding the American exploits as Bishop's *Panama Gateway.* It is not as valuable for economic phases as Hutchinson's *The Panama Canal and International Trade Competition.* It is not as scholarly and scientific as McCain's *The United States and the Republic of Panama* and Padelford's *The Panama Canal in Peace and War.* However, it will serve as a useful work of reference.

ROSCOE R. HILL

WASHINGTON, D. C.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The T.V.A.: Lessons for International Application. By HERMAN FINER. Montreal, International Labour Office, 1944. Studies and Reports, Series B (Economic Conditions), No. 37.—viii, 289 pp. $2.00; 8s.

The T.V.A. has been described in several books from almost every angle. Its multiple-purpose program, its corporate form, and its contribution to administrative science and practice are now familiar. T.V.A. has become the living and going symbol of regional development. Its initial success has stirred an interest in applying similar principles for controlling water power and developing the resources of other regions.

There is considerable discussion of establishing "international T.V.A.'s". It is from this point of view that Mr. Finer writes. The lessons for international application are derived from T.V.A.'s experience. In twelve chapters Mr. Finer evaluates the Authority's program, corporate nature, management policies, employee relationship policy, and method of financing the regional development project, and describes the Authority's relation to Congress, to the President, and to the state and local governments in the region.

In his final chapter the author applies T.V.A.'s experiences and indices of progress to the problem of establishing international T.V.A.'s that will make available the resources and raise the standard of living of undeveloped areas of the world. Locating the area of development and an accurate, comprehensive description of the project are initial problems. If located within the border of a sovereign state the problem of organization and relationships is far less acute than when the development problem crosses the boundaries of one or more states. Here the matter of "calming national sensitiveness" and collaborating with local governmental institutions becomes uppermost, which T.V.A.'s experience in intergovernmental relations affords some light in meeting. As Professor Finer says:

> There could be no supra-national agency endowed with unlimited powers and uncovenanted rights of intervention. On the contrary, as the TVA has continuously shown, it would be vital to convey the impression of disinterested helpfulness, advisory character, defined purposes, and clearly-stated procedures. These two basic factors, namely, co-operation with and operation through local institutions, and authority restricted to, but commensurate with, the needs, are illustrated in the development of the TVA as regards health, housing and educational and workers' training functions and in its employee relationship policy.

As to the matter of financing, the T.V.A.'s experience does not furnish much guidance. Dependence on annual grants is an uncertain

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

basis for financing an international project. Establishment of an international currency stabilization fund administered through a public agency, for example, the United States Treasury Department's proposal for a United States Bank for Reconstruction and Development, would remove a serious obstacle to extending the long-term loans that are essential for developing a resource of any duration and magnitude. Professor Finer sees in the "international lending policies, properly applied, a significance greater than any particular financial and economic services that they render. They could aid in the building and expansion of a more unified and better balanced world economy."

College of William and Mary

James E. Pate

Sociology of Religion. By Joachim Wach. Chicago, The University of Chicago Press, 1944.—xii, 412 pp. $5.00.

By means of a typological approach to the sociology of world religions, this book attempts to bridge the gap between religion and social science. Its prime value does not lie in any sharp theory of religion and society, nor in any new classification of religious forms which unlock meanings by rearrangements of data. It does contain extremely valuable information about religions all over the world, and it is loaded with convenient bibliographies.

Dr. Wach states, quite sensibly, that he is going to leave to theology "the formulations of the religious norms and values which shall govern our lives and actions". He does assert, however, that Max Weber's "understanding of religion was somewhat impaired by his critical attitude towards it." A positive question is immediately invited by such a remark: Does Dr. Wach gain more sociological insight by virtue of his avowedly sympathetic attitude toward it? In such matters, of course, what comes afterward depends upon how one begins. Dr. Wach begins with religion as "the experience of the holy", from which the Good, the True, and the Beautiful all derive.

It would appear that as religious institutions lose their functions and as men are progressively alienated from their authority, theorists of religion progressively attentuate the definition of "religion". The Basic Thing is religious "experience"; and doctrines, rituals and organizations of the world religions become "one or another of its historical expressions." If any of these "expressions" should decline, we cannot assert that "religion" declines, for that is "a false identification" of "religion" with "one of its expressions".

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

This way of reasoning might be useful *if* two preconditions were met. First, empirical indices of this "experience" would have to be developed. Second, these indices would have to be independent of the varied "expressions" of religions which come and go. The reviewer is not able to find in Dr. Wach's book such indices.

It would, however, be quite unfair to judge a book of this character solely in terms of logic and definitions, for it is possible to arrange and collate information in a very useful way in spite of the definitions used. Indeed, in some cases an eclectic lack of precision and a tolerant use of master concepts may permit a more useful accomplishment. Apart from the first fifty pages, which deal with definition, theory and method, the work has to do with rather detailed expositions of "religion and society". And the value of this (major) part of the book makes somewhat incidental any criticism of the preliminary definitions of religion. The topics considered include: religion and "natural groups"; specifically religious organizations, such as mystery societies and circles of disciples; religion and stratification; the social differentiation of the world religions; religion and the state; and types of religious authority, including discussions of such personnel as founders, seers, magicians, priests and saints. In dealing with these topics, Dr. Wach has made a bold and informed use of the comparative materials of world history, as well as of the leading preliterate groups.

The range of topics and the wealth of information make the book required reading for those interested in the sociology of religion. The social theorist may discern the outlines of Max Weber's theories, insights and typologies usefully displayed in the arrangement and in the content of various chapters. And any one interested in the general sciences of man will find the book a stimulating experience.

C. WRIGHT MILLS

UNIVERSITY OF MARYLAND

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BOOK NOTES

Someone has said that in times of social and political stress the law of nature is always revived; such may be said to be the purpose of Miss Laurence Stapleton in this volume, *Justice and World Society* (Chapel Hill, The University of North Carolina Press, 1944; viii, 150 pp. $2.00). After making all due allowance for the philosophical defects of the traditional theories of natural law, she believes that "justice has always the same essential elements" (p. 4), and the acceptance of these essential elements is indispensable to democracy. The time following the French Revolution she regards as "a period of intellectual reaction" which is now drawing to a close. Her purpose, therefore, is to reach back across this period and to join hands with the healthier tradition of natural justice. The reaction she describes as "historicism", the origins of which she attributes to Vico, Buffon and Herder (ch. ii). Its development was due especially to German philosophy in the nineteenth century, to the application of what was called "historical method" to social studies, and later to misunderstood applications of Darwinism to the same subjects. The substance of historicism is the belief that nations and peoples have developed so differently that they cannot share common moral ideals. The opponent view, presented by the theory of natural law, is the belief "that there is a manner of fair dealing and of generosity towards one another which all human beings can understand and value" (p. 104). Nevertheless, Miss Stapleton agrees that historicism has established important conclusions: (1) that no body of laws can be laid down for all men; (2) that justice is not self-evident; (3) that there is wide diversity of human nature; and (4) that change and development must be taken into account (p. 103). She undertakes to show (ch. v) that these conclusions are not, however, incompatible with the principles of natural law, viz., the reality, rationality and universality of justice. The reviewer is not certain precisely what the philosophical basis of this conclusion is meant to be but it seems to be a kind of moral intuitionism. If so, however, it is an intuitionism which claims neither self-evidence nor definite content. The epistemological difficulties in the way of such a conclusion seem to be very great, but this issue is not sharply presented by the book.—GEORGE H. SABINE, Cornell University.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It was a happy thought to reprint the twenty-two speeches by Herbert Morrison, Home Secretary and Minister of Home Security, that have now been published under the title *Prospects and Policies* (New York, Alfred A. Knopf, 1944; xxvi, 170 pp. $2.50). Temperate in tone, informed, realistic and sometimes rising to heights of quiet eloquence, they represent the British Labor mind at its best. Mr. Morrison has had a distinguished career, first in the London County Council and then in the Cabinet. He has grown steadily in reputation and stature since 1940 and is often mentioned as a possible Labor Prime Minister. But his speeches have an intrinsic value apart from that given to them by the distinction of their author, for he shows himself a shrewd political analyst, keenly aware of the problems of our day and of possible solutions. Some of his addresses, such as that delivered to the Fabian Society on October 30, 1943, are really very good lectures on political and economic trends. Others, notably the last eight in this series, are valuable as reflecting the indomitable spirit with which the British people met the challenge of 1940 and the years since. Two very good ones deal with the future of the Labor Party. Throughout, Mr. Morrison expresses that firm adherence to a moderate socialism for which he is well known. There is in him nothing of the doctrinaire, nothing of the revolutionary. There is, however, a good deal of sturdy patriotism that goes so far as to accept the British Empire, not merely because it exists, "but because it is good, and will be better yet." It is no wonder that British socialists are so often a sore trial to their American brethren. This book would be valuable supplementary reading for students in a course in English government. Its value for that purpose is enhanced by a special introduction for American readers written by Mr. Morrison himself.—T. P. PEARDON, Barnard College.

Administrative development in the United States was molded both by the ideas and by the practices of Hamilton and of Jefferson. In a significant contribution to the Studies in Public Administration of the University of Chicago, *The Administrative Theories of Hamilton and Jefferson* (Chicago, University of Chicago Press, 1944; ix, 244 pp. $3.50), Dr. Lynton K. Caldwell deals with ideas rather than with events; but he draws upon analysis of public policy as well as upon extensive documentation to present summaries of administrative doctrines. His condensation of elaborate and, especially in the case of Jefferson, sometimes inconsistent masses of evidence is accomplished with maturity and skill. The first two parts of the volume, comprising the major portion of the work, are devoted, respectively, to six

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

aspects of the administrative ideas of Hamilton and of Jefferson: the personality factor in administrative philosophy, the political basis, principles of administration, organization of authority, public policy, and public service. The often-mentioned administrative conflict between the two leaders and comparative administrative contributions are summarized in two concluding chapters. To Hamilton, Dr. Caldwell suggests, the principles of sound administration were energy, unity, duration, power and responsibility. To Jefferson, on the other hand, administration should be characterized by harmony, simplicity, adaptability, decentralization and responsibility. Hamilton conceived of administration in terms of leadership; subject to legislative approval, it should initiate as well as carry out public policy. Jefferson, believing government to be republican in proportion to citizen participation, was concerned primarily with controlling power rather than with reducing it. "The nationalistic centralizing objectives of Hamilton encouraged his view of organization from the top down, whereas the democratic decentralizing hopes of Jefferson led him customarily to view organization from the bottom up" (p. 239). In other words, "the *nation* was the hub upon which Hamilton's thought turned whereas with Jefferson the *individual* was centermost" (p. 238). The author of this book believes that the principles of the competing statesmen were not so far divided as interpreters commonly insist (p. 230); both men were willing to carry authority to great lengths on behalf of the public welfare. But Hamilton admired responsible government with great executive and legislative power vested in public ministers, while Jefferson adhered to the doctrine of separation of powers. "Hamilton is our great teacher of the organization and administration of public power; Jefferson, our chief expositor of its control" (p. 241). Their views are complementary and of great import to the careful student of administration. This book is therefore not only a useful digest of administrative history; with great applicability to modern problems, it offers the sagacious observations of powerful minds bent in different ways upon the public service.—FRANKLIN L. BURDETTE, Butler University.

All but one of the pamphlets included in *Leveller Manifestoes of the Puritan Revolution* (New York, Thomas Nelson and Sons, 1944; xiv, 440 pp. $5.00), edited by Don M. Wolfe, fall within the period from March 1647 to May 1649. These two years have probably been studied more intensely than any comparable period in English history, and important new facts or interpretations are not to be expected. Nevertheless, Professor Wolfe has contrived to revivify the story of the Level-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

lers by his obvious sympathy with their aims. His selection of contemporary pieces is on the whole commendable, though his first two items are already available in facsimile in William Haller's *Tracts on Liberty*. Had they been omitted, space would have been available for answers to some of the pamphlets included or for at least one of the longer Leveller productions. Manifestoes are rather like election addresses—written for a passing occasion and containing much of ephemeral interest. The general introduction and the introductory notes are reasonably accurate, though occasionally the dating is open to question. The editor raises (p. 61), apparently for the first time, the interesting point whether the general council of the army voted in favor of manhood suffrage (with only three noes) but does not settle it. The list of those present, the course of the debate, and appointment of a committee, the proposals of which fell far short of manhood suffrage, seem decisive against any such vote. One further point: Dr. Beard in his Foreword states that the levelling ideas of 1646-49 were the self-evident truths of 1776, and the conclusion of the Introduction repeats this notion. The history of the transmission of the ideas across the Atlantic would clearly be a valuable contribution to knowledge.—GODFREY DAVIES, Huntington Library and Art Gallery, San Marino, California.

At a time when the world is once again faced with problems similar to those which confronted Woodrow Wilson, a study of his ideas and policies is timely. For this reason Mr. William Diamond has made a pertinent contribution when he shows, in *The Economic Thought of Woodrow Wilson* (Baltimore, The Johns Hopkins Press, 1943; 210 pp. $2.50; $2.00), that one of the reasons for Wilson's failure to accomplish his objective in the solution of future wars and the preservation of peace throughout the world was his failure to realize the inconsistency between the economies of the Manchester school and the facts of the modern world. In a well-written and readable book Mr. Diamond has traced the development of Wilson's economic ideas through his student and professorial years and has shown the changes and modifications made in those ideas during his experience in governmental office. Considerable attention is devoted to the influence upon his thinking by his early home environment, by his associates and professors, and by the ideas of the people whose writings he read. The author is particularly realistic in his recognition that Wilson's thought was not independent of his ideas about the nature and function of government, of the personal prestige of the people of his day and of

LICENSED TO UNZ.ORG.
ELECTRONIC REPRODUCTION PROHIBITED

external circumstances. His economic ideas were also influenced by a political expediency which demanded concessions to the times as Mr. Diamond does not neglect to show. In the best tradition of the doctoral dissertation, the research has been thorough and painstaking. This is one of the values of the book. While it is true that the outlines of Wilson's economic thought are familiar, this book treats his ideas in detail and traces, in a systematic fashion, the development of particular ideas. One example is Wilson's conception of competition and its function in society. This idea is traced from its early beginnings to the attempts of Wilson's administrations to enforce competition by national and international action as explained in his concept of the "New Freedom". For the above reasons the opinion of this reviewer is that the book is a worthy contribution to the mass of literature on Woodrow Wilson and the works of his administration. —ELMER E. SMEAD, Dartmouth College.

The eleven short essays in *Here Comes Tomorrow* (Chicago and New York, Ziff-Davis Publishing Co., 1944; xi, 131 pp. $2.00), by A. W. Zelomek, read like so many weekly columns written for the hurried business man who wants a quick sketch of the background of relief to Europe, reconversion, the price level, post-war federal budget, housing, and so on, along with some predictions. Mr. Zelomek has inclosed a wide assortment of data in his economic capsules and takes a refreshingly common-sense point of view in most of his comment. His positive statements are on a level that will seem elementary to economists, too much so to contribute anything toward the solution of the complex problems that he swiftly summarizes, but the intended readers of the book are probably the laymen who have been swamped with the conflicting and obscure economics of the daily press; for them Mr. Zelomek's book may prove a handy organizer or check list of topics and a guide to the broad outlines of the problems.—CARL SHOUP.

Everybody knows at least a little about Lee and Jackson; but of the fourteen men who, at one time or another, held the six cabinet offices in the Confederacy, most have been forgotten, save by historians. Rembert W. Patrick, in the first book to study them one by one from the cabinet point of view, *Jefferson Davis and His Cabinet* (Baton Rouge, Louisiana State University Press, 1944; x, 401 pp. $3.75), shows the reason why. Only two, Benjamin and Mallory, were of distinct superiority; the rest, with the possible exception of Toombs, Seddon and Memminger, were decent mediocrities, at best competent and occasionally resourceful, but in no sense extraordinary either as men

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

or politicians. Mr. Patrick, devoting a chapter to each executive department, and a short section to each incumbent, with a brief summary of his antecedent career and an analysis of his work in cabinet, tries hard to unfold evidence of eminence among them; yet, despite his convincing refutation of the oft-repeated theory that they were the President's mere rubber stamps, he demonstrates only that the President, with all his faults, came nearer to greatness than any of them. Perhaps someone will some day try to answer the question why the South failed in her crisis to produce civil leaders of a stature commensurate with those of her early years. Mr. Patrick does not show that he is aware of the question. His book, written from original sources as well as secondary materials, fills a gap in that there has been no book till now giving in concise detail the salient facts about the cabinet, but is, as he says, in no sense final. The usefulness of his study would have been greatly enhanced by a set of portraits of the men with whom he deals.—RUDOLPH VON ABELE, Harrington Park, N. J.

A recent biography—*Frances Willard: From Prayers to Politics* (Chicago, University of Chicago Press, 1944; x, 418 pp. $3.75) by Mary Earhart of the political science department of Northwestern University—has brought new light both on the woman and on the movements for which she labored so effectively. The author had access to much unused, indeed much heretofore suppressed, material in Evanston, the home of Miss Willard and of Northwestern University where she held her last and most important academic post, that of dean of the Woman's College. Miss Earhart has rescued the leader of the W. C. T. U. and of the "Woman's Movement" of the 1880's from the shadows—and the halo—of the myth created deliberately by her friends and preserved in the early biography by her secretary, Anna Gordon, entitled *The Beautiful Life of Frances E. Willard* and designed to arouse the enthusiasm of Miss Willard's loyal followers to new exertions in the cause of temperance. For this reason temperance was neatly separated from all the other less popular, and perhaps less respectable, causes to which Miss Willard had given adherence. Miss Earhart has been ruthless as well as sympathetic, painstakingly careful in her treatment of both the old myth and the material which refutes it, and frank and shrewd in her analysis of Frances Willard and her contemporaries. Under the author's deft touch a new portrait of the famous leader appears—both greater and less than the figure of the popular myth. Frances Willard the woman—ambitious, dynamic, loving the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

limelight, delighting in adulation, fully conscious of her peculiar emotional appeal to other women and capitalizing upon it—is a more interesting person than the saint of the myth, and her service in awakening the interest of many American women in every new idea and movement was more important than her contribution to the temperance cause. Among the movements of her day Miss Willard seems to have avoided only social Darwinism and freethought; hence her biography is a summary of much of the social history of the latter nineteenth century. Its emphasis upon the West and upon Miss Willard's ability to carry over into the national field the ideas, opinions and methods of the western reform groups is one of the most valuable contributions of the study. Miss Earhart has done an excellent piece of work, and the book fills in an important gap in the history of women's political and social development. The author has but one peculiar lack or blind spot—she appears to underestimate or disregard the vitally important work of such women as Elizabeth Cady Stanton, Susan B. Anthony, Lucretia Mott, and other members of the pre-Civil War reform group. Miss Earhart, writing of them as they were in the 1880's, when they were decidedly "elder statesmen", seems oblivious to the fact that any one of them in her prime was as dynamic and important a figure as the subject of the present biography.—ALICE FELT TYLER, University of Minnesota.

Compass of the World (New York, The Macmillan Co., 1944; xviii, 466 pp. $3.50) is a "Symposium on Political Geography", the product of more than two dozen leading authorities in the field of geography and international politics, edited by Hans W. Weigert and Vilhjalmur Stefansson, two of the contributors, with maps by Richard E. Harrison, also one of the contributing authors. The limits of a reviewing note preclude indulgence of a roster of contributors' names and of a galaxy of their offerings. A brief statement of the objective of the book as set forth in the introduction can be ventured by way of quotation and paraphrasing of the editors' hopes and promises concerning the contributors' expected educative qualities. The reader is advised that "the book aims at filling, so far as possible, a wide gap which the politico-geographical thinking and planning in the United States must try to bridge." The shrinking of the world brought about by the advance of industry and technology, we are told, "necessitates a new vision" which in turn requires "certain vital applications of today's geography to the policies and strategy of the United States as a leading partner in the rebuilding of a shaken and suffering world." Most Americans, the editors hold, "realize the

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

importance of this task," but, "on the whole, their understanding has remained foggy" and "the appraisal of America's relation to other countries, based on geographical factors, is only too frequently limited to more or less glittering generalities." This in turn has its source in "historical thinking here and elsewhere. . . molded for many years by a geographical view that is no longer true." The contributions to this symposium, then, are designed "to correct some of the basic misconceptions of political geography which threaten to confuse the minds and plans of statesmen, soldiers, and the general public alike." An attempt at an appraisal of the individual contributions is not possible for reasons of which only lack of space can be cited here. However, an idea of the values, or rather the conflict of values, around which the symposium has been built can be gleaned from one short quotation found on the back of the leaf following the title page, under the heading: "The Sword versus the Spirit". In the quotation, none less than Napoleon I, wry-faced no doubt, pronounces as follows: "Force is powerless to organize anything. There are only two powers in the world: the sword and the spirit. In the long run, the sword is always defeated by the spirit."—*Compass of the World* is a timely book, timely in the timeless sense. May it succeed in accomplishing all for which it has been designed.—Johannes Mattern, The Johns Hopkins University.

Like its predecessors, Edgar McInnis' *The War: Fourth Year* (London, Toronto, New York, Oxford University Press, 1944; xviii, 409 pp. $2.50) is very useful and convenient. Covering the period from August 1942 to September 1943, its organization is basically chronological. Each of the four long chapters covers three months of global warfare. The result inevitably is a certain choppiness, but it is difficult to see how this could have been avoided. The remaining space in the book is taken up with a handy ten-page chronology and with the texts of several of last year's outstanding documents. As we have come to expect by now, Professor McInnis is eminently fair in his summaries and estimates. When the definitive history of the second World War is written, these volumes and their eagerly anticipated successors will prove of inestimable value as guides and background material. Meanwhile they remain the best available annual summaries of the world's most important events.—Walter Consuelo Langsam, Union College.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED